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Central Eurasia

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Daily Report
Central Eurasia

FBIS-SOV-96-111 *7 June 1996*

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Russia: Yeltsin Comments on Payment of Wage Arrears

LD0606201696 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 6 Jun 96

[Interview with Russian President Boris Yeltsin by Correspondent Mikhail Aleksandridi in Tver; date not given—recorded; from the "Novosti" newscast]

[FBIS Translated Text] [Aleksandridi] I represent the "Vremya" program. Boris Nikolayevich, reports are coming in from certain regions about new delays in the payment of wages.

[Yeltsin] Well, you know that I took some measures in March. In March, we completely paid off all the arrears in the budget sector. Subsequently, it appears, individual bureaucrats became complacent and decided that the problem had been settled, that it no longer needed to be dealt with, that it would go away of its own accord. No, problems never go away of their own accord. They have to be tackled. So, it transpires that we have now come up against this problem again. Today, I tackled this problem. Actually, it was during the night, though it embarrasses me a little to say so. That is just how it happened. Anyway, I have today signed a law on the basis of which 5 trillion rubles are being allocated for the payment of budget-sector wages, above all to teachers, doctors, servicemen—to budget-sector employees in general. Implementation of this will start immediately because this money exists. We had it in the strategic reserves. [Video shows Yeltsin being interviewed in book-lined room]

Russia: Pensioners Ask for Yeltsin's 'Attention,' Promise Votes

MM0606121796 Moscow IZVESTIYA in Russian 6 Jun 96 p 2

[Transcript of calls to "Trust the President" Telephone Line: "(095) 956-99-99. Trust the President Telephone Line Is in Operation"]

[FBIS Translated Text] "I, Semen Matveyevich Dozorin, live in Nalchik in the Kabardino-Balkarian Republic, where there is peace and harmony. A happy situation.

"I would very much like this situation to prevail throughout Russia as a whole so that my children and grandchildren can peacefully study, work, and earn a decent living through honest endeavor.

"I would very much like you, Boris Yeltsin, the first Russian president, to be elected for a second term. Only please try to ensure that industry gets to work so that everybody has a job for which they are well paid and which gives them a decent life.

"God grant you good health, courage, and statesmanlike wisdom. Thank you."

"Hello, invalid pensioner Galina Ivanovna Butalina here. I wish Boris Nikolayevich Yeltsin Siberian good health and a long life working for the prosperity of our country. I want him to win to election. And our country to prosper. And my wish for us invalid pensioners, who are unable to work, is that he pay attention to us. And increase our pensions to give us a better life....

"All the best to you, Boris Nikolayevich! I wish you a long life and success for our wonderful motherland.

"Thank you, good-bye."

Russia: Defense Industry Forum Backs Yeltsin

MM0606155496 Moscow SOVETSKAYA ROSSIYA in Russian 6 Jun 96 p 6

[Report by Igor Krotov: "Ingratiating Denunciation. Defense Industry on Its Knees But...Will Vote for Yeltsin — That Strange Idea Was Voiced in the Hall of Columns During a Conference of Defense Industry Workers"]

[FBIS Translated Text] All the objective facts attest to a terrible crisis within the Russian military-industrial complex. And you would have thought that the 29 May All-Russia Conference of Defense Industry Workers in Moscow would try to discuss the situation seriously. Regrettably, it all boiled down to election rhetoric in support of Boris Yeltsin although some curious elements are worthy of note.

The president issued another edict promising to immediately resolve all the defense industry's questions and the gray-haired former "red directors" nodded agreement and cried in unison: We believe you, Mr. President, we believe you! But what is there to believe.

I remember that electronics workers from Moscow Oblast's Zelenograd were the most determined democrats. What faith they had in their idol, how they tried to exalt him! And so they did. I do not know how the public advocates of perestroyka and "reform" get their money or where they get it from but the average wage in the sector today is the lowest in the State Committee for Defense Sectors of Industry, which is now called a ministry. That was how the leader of "reforms" thanked his voters.

Someone may say that they themselves are to blame since they don't know how to busy themselves and earn millions. Thus an engineer should only busy himself

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around his own workplace and reforms should ensure that this engineer feels delighted with his life and work rather than the contrary.

People are saying that Viktor Glukhikh, former chairman of the State Committee for Defense Sectors of Industry, was sacked because regions dominated by defense sectors failed to vote for Chernomyrdin's bloc in the Duma elections and gave the bulk of their votes to the Communists. Zinoviy Pak, the current head of what is now the Ministry of the Defense Industry, is doing everything in his power to persuade his industry's workers that Russia's defense industry will collapse without their dear, beloved Boris Nikolayevich. I wonder how much further it can collapse.

David Pashayev, head of the Federal Center for Nuclear Shipbuilding, delivered a speech. He is a distinguished man and has long since risen above the rank of apprentice in the shipbuilding industry. Everyone is aware of the terrifying situation in the national military shipbuilding industry. In vain do people claim that Yeltsin is a loudmouth. That he does not understand or love Russia's fleet. Shipbuilders were not joking when they said that before the launch of the nuclear cruiser Petr Velikiy, it is to be renamed Potemkin, or Avrora straight away. Incidentally, the "devourer of aircraft carriers" has not been completed properly and it is not known whether it will be completed at all.

Severodvinsk once produced nuclear submarines. Today they are planning to build gigantic offshore drilling platforms. But there is no money, nor is there any sign of it. Having painted a totally gloomy picture of disaster, Pashayev did, however, express his thanks to Boris Nikolayevich for his concern, and confidence that the new edict would change the situation in the shipbuilding industry. And, of course, albeit indistinctly, there was a call to vote for Yeltsin. Will shipbuilders hear their director's voice and heed him?

Nikolay Mikhaylov, leader of the Vympel interstate corporation, delivered a speech. He spoke very coherently about very serious matters that directly concern Mr. Kokoshin sitting on the presidium, who is in charge of arms procurements at the Defense Ministry and the Army's links with the defense industry. Kokoshin ostentatiously turned away from the rostrum, lent toward [Moscow Mayor] Luzhkov who was sitting on his left, to all appearances told a funny story, and both pillars of "reform" smiled broadly. Yet all one can do is weep at what Mikhaylov said. Some people love war as much as they love their mother.

Surprisingly enough, Mikhaylov's speech was heard by Oleg Soskovets, who was chairing the meeting. He was quite brusque in his complaints to Kokoshin, which essentially were as follows: You have to work, First Deputy to Grachev, you have to work.

The speech by Nikolay Makarovets, head of the Splav enterprise, the main developer of salvo-fire systems, made a very strange impression. He showed what negligible state support our military-industrial complex gets compared with in the United States and how we are losing out on the arms market owing to the inefficiency of those people who are supposed to be active in this field. He said that the United States is doing its utmost to prevent Russian Katyushas advancing onto the market and is even agreeing to create more favorable conditions for Brazil and China, which manufacture similar systems. The whole point of his speech amounted to the idea that there is a degree of government passivity about the needs of priority sectors of the defense industry and a lack of real support. He ended by citing an absolutely outrageous case.

There is a small plant in the town of Aleksin, Tula Oblast, which manufactures all manner of paints and varnishes for the defense industry. This output is based on industrial alcohol. Officials figured out that this is alcohol and charged the plant several billion rubles in excise duty. So, the plant is "failing." There are no wages and nothing good in prospect. According to Nikolay Makarovets, the plant and its workers have been brought to their knees, people are starving, and it is impossible to see their torment without shedding a tear....

But what is the conclusion and the prognosis?! "They will vote for Yeltsin nevertheless!" Makarovets exclaimed. "I believe that money will be forthcoming, that we will survive these temporary difficulties if we elect Boris Nikolayevich." Is that not mocking people?! Mr. Makarovets is head of a bloc in Tula in support of the president's reelection. So he simply has to talk about him in superlatives. But how can this be squared with his pretty sober assessment of the part played by the president and the government in the effective collapse of Russia's military-industrial complex? What grounds are there for loving and reelecting all of them? What remarkable services have they performed?

But the government does not seem to be to blame for the collapse of the national economy and the decline in leading sectors of the defense industry. We have no military-industrial lobby in the Duma and that is the cause of all the trouble. So said Andrey Kokoshin, quite seriously. Yet he should be the main lobbyist given his official position. But for some reason he has never been heard to make fiery speeches in the Duma in defense of the defense budget. Yet he spoke at length here and, as always, about nothing in particular, which caused a

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murmur of discontent even from what was a very loyal audience. What can you expect from this guarantor of military reform? A further plunge into the abyss, that is all.

Summing up the result of this bizarre conference at which virtually funereal speeches by the "military-industrial complex elite" ended with assurances that only under this president and this government will there be a glorious future, Oleg Soskovets delivered a speech which can be reduced to one phrase: Trust us, people. Evidently considering this a not entirely convincing argument, he bluntly said to the directors, general designers, and defense industry presidents present: Could you have dreamed five years ago of traveling to Paris freely, holding talks with the Americans, and creating joint ventures with foreigners? No, you could not! Do you really want to turn the clock back?

Who is saying that all Russian presidents other than Yeltsin will ban them from doing so? As soon as the Communists win victory the defense industry will receive real state support and the directors' opportunities will only expand since they will finally receive all the currency that they are owed. And workers and engineers as well as the "military-industrial complex elite" will have a decent life.

So, who will the defense industry vote for? Will they vote on the orders of Pak and in response to the servile calls of certain directors or will they vote with their heads, in accordance with their conscience?

Russia: Grachev Explains Claim That All Sailors Voted for Yeltsin

MM0706111196 Moscow IZVESTIYA in Russian 7 Jun 96 p 1

[Report by Anatoliy Stepovoy: "Seamen Have No Questions"]

[FBIS Translated Text] Central Electoral Commission Chairman Nikolay Ryabov has learned of Russian Federation Defense Minister Pavel Grachev's statement that all military seamen at sea have voted for Boris Yeltsin from the mass media.

"As soon as we found out what the defense minister had said," N. Ryabov said in an interview with IZVESTIYA, "we immediately conducted checks. The seamen's ballot boxes were undoubtedly unopened, they were sealed. Voting was carried out in the presence of observers and they detected no irregularities. But what Grachev is saying.... He may want 100 percent of seamen to vote for Yeltsin, I do not know. But I do know something else: There has never been a 100-percent vote in favor of any one candidate and never will be in a normal society, apart from a Communist society."

Saying that he personally had not heard what Pavel Grachev had said about military seamen's voting, the chairman of the Central Electoral Commission did not comment on these statements.

But Grachev could not refrain from providing clarification. "I did not give an interview to the mass media on this," he told an INTERFAX correspondent. "As for the arguments that such conclusions are unlawful, they can be based on what ship crew members have said..... In their cramped compartments and quarters far from their native shores military seamen feel like members of one family, they speak frankly, just as much when it comes to elections."

Needless to say, Pavel Grachev himself had not entered the cramped quarters of seamen out at sea. But since he begins every working day by studying reports from fleet and district commanders, he concluded that most crew members had voted for the incumbent Russian Federation president.

Russia: Yeltsin Aide: Communists To Overturn Poll Result by Force

MM0506145596 Moscow IZVESTIYA in Russian 6 Jun 96 p 1

[Report on interview with Georgiy Satarov, aide to the Russian president, by Valeriy Vyzhutovich; place and date not given: "Georgiy Satarov: Communists Always Get Indignant When People Tell the Truth About Them"]

[FBIS Translated Text] Representatives of the Communist Party of the Russian Federation assessed as "slander of the Communist Party" the recent statements by presidential aide Georgiy Satarov on preparations for the forcible seizure of power by the Communists in the event of their candidate's defeat in the elections. Zyuganov himself stated in Novosibirsk the other day that the leadership of the party he heads has decided to go to court over this matter.

"I do not yet know what I am charged with," Georgiy Satarov told IZVESTIYA in an interview. "But irrespective of whether the Communists bring proceedings against me, I am in possession of plenty of material confirming that the Communists really are prepared to resort to the forcible 'overturning' of the election results if these results are not in their favor. The most convincing evidence of this is the Communists' own speeches. Viktor Ilyukhin, for instance, stated the other day that 'the results of voting for Boris Yeltsin, whatever the outcome of the elections, can be deemed invalid even

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now.' That is to say, the ground is being prepared for 'popular indignation,' which the opposition will try to turn into the organized kind. The consequences of actions of this kind are easy to predict. If anything, I am glad that the Communists are whipping up a furor about their own anticonstitutional intentions. By so doing they are only helping the current president in his election campaign. Of course, they are not doing it deliberately. It is just that that is their traditional way of behaving. Communists always get indignant when people tell the truth about them."

Russia: Zyuganov Encounters Demonstrators in Krasnoyarsk

LD0606204096 Moscow NTV in Russian 1500 GMT 6 Jun 96

[Correspondent Yevgeniy Revenko video report from Krasnoyarsk Territory; from the "Segodnya" newscast]

[FBIS Translated Text] In Krasnoyarsk, candidate Gennadiy Zyuganov was followed by a small demonstration of students carrying anti-communist slogans. The organizers of the demonstration explained that they do not believe in the good intentions of the leader of the CPRF [Communist Party of the Russian Federation].

[Begin unidentified woman recording] I do not want the enemies of the people coming back. I do not want lines in shops. I do not want everyone to be equal. [end recording]

Meanwhile, Gennadiy Zyuganov himself did not pay any attention to the demonstrators. Since he has begun his trips, he has gotten used to emotions of this sort. Before meeting his supporters in Krasnoyarsk, however, the Communist leader found time to repeat his invitation for cooperation to the representatives of the third force. We have learned that he does not yet know the reaction to his statement. It appears that everyone who will join the government of the potential president is going to have a hard time— the CPRF leader described the state of society as extremely critical:

[Begin Zyuganov recording] Two things come to mind: recovery of sight and unprecedented lies on the verge of mass schizophrenia and provocations. [end recording]

Gennadiy Zyuganov is planning to stay in Krasnoyarsk for one day. On Friday, he will continue campaigning in Omsk, and after that, he will return to Moscow. Until 16 June, he is planning no more long-distance trips from the capital. [video shows a student demonstrators carrying anti-communist slogans, Zyuganov addressing a meeting]

Russia: Zyuganov Offers Competitors Deal on 'Honest' Elections

LD0706100796 Moscow ITAR-TASS in English 0916 GMT 7 Jun 96

[By Anatoliy Petrov]

[FBIS Transcribed Text] OMSK June 7 (Itar-Tass) — Russian communist presidential hopeful Gennadiy Zyuganov offered an olive branch to his competitors on Friday by proposing an agreement on "honest and democratic elections".

Following a series of reciprocal accusations of election fraud plans, Zyuganov said in the Siberian city of Omsk that his team were "ready to conclude an agreement with major political forces of the country on honest and democratic elections, joint control over the voting process and vote counting".

However, he immediately attacked his main rival and incumbent President Boris Yeltsin by telling an audience of 400 enterprise directors, bankers and entrepreneurs that all the presidential hopefuls, except Yeltsin were ready for the deal.

"Ten candidates, except Boris Yeltsin, are ready to do that", he said.

Zyuganov also reiterated his offer to the main presidential hopefuls to form a coalition government in case of his victory.

"We propose to the representatives of the so-called 'third force' to take part in that work", he said. Two of the "third force" members, liberal reformist Grigoriy Yavlinskiy and hard-rule advocate Aleksandr Lebed, have already rejected the offer.

At another meeting with Omsk students Zyuganov qualified Yeltsin's decree to switch to the professional army and end obligatory conscription in the year 2000 as "election agitation".

"Even if Boris Nikolayevich again becomes president, he would not be responsible for the fulfilment of his decree in 2000 as he would not have the right to run for presidency again (in that year)", Zyuganov said.

He claimed it was impossible to switch to the professional army in four years as it would demand seven times more appropriations than at present. "The Russians will have no such money", he said.

Zyuganov also blasted the government for its attitude to education and science. "Teachers have never gone on strikes in the thousand-year old history of Russia. Now they strike because they do not receive wages for months", he said.

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Zyuganov was accompanied on his campaign trip by Vasiliy Starodubtsev, the hard-line leader of the Agrarian Union, and Nikolay Kharitonov, the leader of the agrarian group in the State Duma.

Russia: Zyuganov's Campaign Said Full of Violations

LD0606184696 Moscow ITAR-TASS in English 1746 GMT 6 Jun 96

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, June 16 (Itar-Tass) — It is time the Central Election Committee considered the stripping of Gennadiy Zyuganov of his candidacy for Russian presidency, Gasan Mirzoyev, the president of the Guild of Russian Lawyers, said today.

He told a news conference that supporters of Zyuganov, the communist leader and key challenger of Boris Yeltsin, had been trampling on the election law.

According to Mirzoyev, any of leaflets circulated in the pro-Zyuganov campaign makes the grounds for legal and administrative proceedings against writers and distributors of this literature.

The news conference was organised by the pan-Russian Movement for Public Support to Boris Yeltsin.

The Russian president's representative in the Central Election Commission, Vyacheslav Volkov, told the conference that the movement has information about harassment of Yeltsin's supporters by anti-Yeltsin forces, especially in rural provinces.

Volkov said he had handed to the commission six packages of materials indicating violations of the election law by pro-Zyuganov campaigners.

Some of these documents have been sent to prosecutors for probes, Volkov said.

Russia: Tuleyev Drops Out in Bid To Boost Zyuganov's Chances

MK0606112996 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jun 96 p 1

[Report by Marina Shakina: "Aman Tuleyev Pulls Out of the Race. Communists Use the Last Resort"]

[FBIS Translated Text] Presidential candidate Aman Tuleyev — an alternate for CPRF leader Gennadiy Zyuganov, who is a favorite in the presidential race — announced in Ufa yesterday that he is withdrawing his candidacy in favor of his party comrade.

As is known, Tuleyev's nomination was, from the very start, presented by the Communists as a backup — just in case something unexpected should happen to the main candidate.

Apparently, Tuleyev's personal ambitions were also a factor. In 1991 he was nominated for the Russian presidency while his popularity in Kemerovo Oblast, where until recently he was chairman of the Legislative Assembly, was such that it was a sin not to lay claim also to an all-Russia post.

It is just as difficult to pull out of a parliamentary race as it is from a presidential race — and not only for psychological reasons. An election campaign costs money, and the people and organizations that funded it from their own pockets could become disappointed with "their" candidate's retreat. Clearly, from their perspective, the money spent by Tuleyev on signature raising, registration, and the video clips shown on TV has been wasted. Next time they might think better before giving Tuleyev financial support.... True, the stakes in the current race are very high and party associates could compensate for Tuleyev's losses in some form or other — by offering him, say, a government post after successful elections.

Even so, from the point of view of party interests, the decision by Tuleyev — who was finally persuaded by his comrades to pull out of the race — is quite sound. It is known that in recent days Zyuganov's rating has been stagnant, ceasing to grow, and that the CPRF leader has no resources left for drawing an additional electorate. And so 10 days before Election Day the Communists came to the conclusion that now is the right time to "shift" Tuleyev's votes to Zyuganov. It is a debatable point as to whether or not the CPRF acted a bit too soon in committing its reserve regiment, which was lying "in ambush," but there is no doubt that this move was expedient. This is especially visible amid the backdrop of the still-isolated democratic and quasi-democratic presidential candidates.

To be sure, the impression is that this was done in order to somehow suggest that Zyuganov's chances are rising. After all, in the past few weeks pollsters have been unified in saying that the CPRF leader's rating has stopped growing.

It is not quite clear whose votes Sv. Fedorov, Aleksandr Lebed, or Vladimir Zhirinovskiy will be taking away — quite possibly those of both the favorites. As for Tuleyev, he was only taking away Zyuganov's votes. It will be interesting to see what the polls show after the second Communist candidate has quit.

Tuleyev's exit, apart from other things, shows that the Communists have finally realized that the elections will take place after all. To all appearances they no longer

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believe in the accidents that might happen to their "number one" before 16 June or they would not have left him without an alternate so early.

So the Communist electorate is increasingly rallying around Zyuganov, forming a militant and dedicated electoral unit. The CPRF leader's main rival, Yeltsin, has not, as yet, dealt with this task for himself. What Tuleyev is to Zyuganov, Yavlinskiy is to Yeltsin — with only one qualification: Yavlinskiy is not bound by party discipline. This could be seen as a possible reserve for Yeltsin, but a barely realistic one. Unlike Tuleyev the Yabloko leader will hardly pull out of the race unconditionally.

In principle, the last resort for both main favorites is Vladimir Zhirinovskiy, who has been making advances towards both Yeltsin and Zyuganov. Yet neither seems to have even touched this reserve.

Russia: Irkutsk: 54 Percent To Vote for Yeltsin in Second Round

LD0706061596 Moscow ITAR-TASS in English 0610 GMT 7 Jun 96

[By Vladimir Khodi]

[FBIS Transcribed Text] IRKUTSK June 7 (Itar-Tass) — Some 54.3 per cent of residents of Irkutsk, a large Siberian city, are going to vote for Yeltsin in the second round of presidential elections, if he and Gennadiy Zyuganov get the greatest numer of votes in the first one. 21 per cent are going to vote for Zyuganov. According to the local sociological centre, this follows from the results of a public opinion poll, conducted by them on June 3 to 5 — less than two weeks before the elections.

Russia: End-of-May Poll Shows Zyuganov With Small First-Round Edge

MK0706085996 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jun 96 p 2

[Report by Sergey Lenskiy, Analytical Service section head: "Leaders' Chances Tied"]

[FBIS Translated Text] [report contains table recast below as text; see final paragraph for breakdown of group definitions]

FIRST GROUP: Number of voters: 13,696,800. For Yeltsin 2,829,000 (20.6 percent). For Zyuganov: 5,336,900 (39 percent). For Yavlinskiy: 866,600 (6.3 percent). For Zhirinovskiy: 1,681,400 (12.3 percent). For Lebed: 974,200 (7.1 percent). For Fedorov: 727,700 (5.3 percent).

SECOND GROUP: Number of voters: 42,899,800. For Yeltsin 10,503,900 (24.5 percent). For Zyuganov: 12,375,300 (28.8 percent). For Yavlinskiy: 4,376,800 (10.2 percent). For Zhirinovskiy: 4,882,600 (11.4 percent). For Lebed: 3,103,500 (7.2 percent). For Fedorov: 2,145,400 (5.0 percent).

THIRD GROUP: Number of voters: 21,150,300. For Yeltsin: 5,508,900 (26 percent). For Zyuganov: 4,235,300 (20 percent). For Yavlinskiy: 2,747,700 (13.0 percent). For Zhirinovskiy: 2,019,300 (9.5 percent). For Lebed: 1,450,100. (6.9 percent). For Fedorov: 1,090,400 (5.1 percent).

FOURTH GROUP: Number of voters: 27,072,700. For Yeltsin: 7,206,900 (26.6 percent). For Zyuganov: 4,130,600 (15.3 percent). For Yavlinskiy: 3,482,600 (12.9 percent). For Zhirinovskiy: 2,187,700 (8.1 percent). For Lebed: 1,678,100 (6.2 percent). For Fedorov: 1,196,300 (4.4 percent).

TOTAL: Number of voters: 104,819,600. For Yeltsin: 26,048,700 (24.9 percent). For Zyuganov: 26,078,100 (24.9 percent). For Yavlinskiy: 11,473,700 (11 percent). For Zhirinovskiy 10,771,000 (10.3 percent). For Lebed: 7,205,900 (6.9 percent). For Fedorov: 5,159,800 (4.9 percent).

An analysis of the end-of-May results of the electoral studies carried out by the regional information-analytical and sociological centers attests to the fact that, in a first approximation, the election chances of Boris Yeltsin and Gennadiy Zyuganov are tied at 24.9 percent. So far, Grigoriy Yavlinskiy is in third position (11 percent); Vladimir Zhirinovskiy is in fourth position (10.3 percent). And he has a positive electoral dynamic and, hence, holds every chance for moving ahead of the "Yabloko" leader.

It is necessary in such a situation to take account of the objectively existing tendencies in the formation of Russian voters' preferences. Forty percent of them motivate their political choice by their convictions, 17 percent vote on the basis of their own stereotypes and public opinion, 19 percent have unpredictable motives, and 24 percent do not vote owing to their convictions.

Hence, the presidential candidates compete for the preferences of 36 percent of the voters. This portion of the voters make their political choice, as a rule, during the two weeks before the elections based on their emotional perception of the political leaders and influenced by the assessments and views of those whom these people trust, as well as the programs they see, rumors they hear, and leaflets they read.

According to studies, a vast majority of decisions made by voters in the last days remaining before the elections are in favor of leaders who produce

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the greatest emotional impact and who are the most oppositional.

For example, laurels for the so-called "unpredictable" decisions went to those who voted for the LDPR [Liberal Democratic Party of Russia] during the 1993 and 1995 parliamentary elections, trailed only by those who supported the CPRF [Communist Party of the Russian Federation]. This part of the electorate is essentially oppositional and it would sooner vote "in spite of" rather than "for."

The situation has somewhat changed in the 1996 presidential campaign. Zhirinovskiy has grown more restrained, Zyuganov has come to be less consistent and Lebed has grown to be more dashing. Bryntsalov has donned a "national favorite" tee shirt, with Gorbachev causing muffled irritation by "having returned from nonexistence."

The contenders are continually haggling over portfolios and allies, coalitions and names. This blunts the perception of the presidential race among the masses and people grow increasingly weary.

Under such conditions the emotional component of political choice is being formed on the basis of people's ethological requirements supplemented by their imitative instinct as well as their urge to formulate a goal within the given system of coordinates.

The most powerful tool that shapes individual political choice is the stereotype of mass and group behavior that suggests to people this or that decision which they did not think of themselves. Such suggestions result in an unpredictable number of votes in favor of extremist and mentally unbalanced leaders who "infect" crowds with their emotions: Zhirinovskiy, Anpilov.

Analysis of the dynamics of voters preferences in the presidential campaign during April and May indicates the presence of a stable and strong tendency for growth in the national-patriotic electorate in comparison with a steady, but slow, positive growth dynamic in Boris Yeltsin's electorate, and a virtual stabilization in Gennadiy Zyuganov's electorate.

But the current tendency for an equality of Zyuganov's and Yeltsin's chances does not take into account a possible influx of unpredictable voters, part of whom would for sure side with Zyuganov, whereas the rest get distributed between Zhirinovskiy and Lebed.

Proceeding from this, it is quite in order to predict a situation where Zyuganov's chances would grow to 33 or 34 percent of the vote, Zhirinovskiy would pass Yavlinskiy to score 15 or 16 percent of the vote, Yeltsin would win 30 or 31 percent of the vote, and the "Yabloko" leader would stay on his current 11-percent mark.

In the table all of Russia's regions are arranged in groups proceeding from the results of the voting in the 1995 parliamentary elections and the present sociological studies. Included in the first group are the "Reddest" republics and oblasts, where voters who are in sympathy with the Communists prevail. Included in the second group are those regions where support for Zyuganov is less, included in the third are group oblasts and republics where voters' likes and dislikes are equally divided between the CPRF and today's authority. Included the fourth group are supporters of today's president.

Russia: High Poll Ratings for Yeltsin Said Misleading

MM0606130996 Moscow SOVETSKAYA ROSSIYA in Russian 6 Jun 96 p 3

[Article by Yemelyan Yuryev of the Independent Electoral Monitoring Service: "Poll of Polls No. 4: Do Not Cut Down Everything That Grows...."]

[FBIS Translated Text] Independent Electoral Monitoring Service experts are still analyzing at the editorial office's request the latest reports from the "sociological front."

Thus, another joyous event has occurred in election opinion polls. As the governmental ITAR-TASS agency promptly informed a doubting public, "Nugzar Betaneli, director of the Institute of the Sociology of Parliamentarianism, who until recently claimed that Gennadiy Zyuganov would lead the first round of the presidential election, has said...that Boris Yeltsin has overtaken Gennadiy Zyuganov."

As we can see, the wave of "exposes" in the press by Betaneli's perfidious institute has had results. Let us recall that just a few days ago this institute's research figures were being hushed up and the institute itself was branded by the press close to government circles as being in the "habit of understating reformist-democratic forces' forecast results." What is more, the reasons for Betaneli's "left-wing bias" were even listed by "reformist journalists." It transpires that they managed to dig up "compromising material" and tell the whole of the civilized world about Betaneli's former links with Yuriy Prokofyev, former first secretary of Moscow City CPSU Committee, and so on and so forth. Last, the institute was accused of such a heinous "sin" as "not dealing with sociology but making forecasts based on sociology."

And here is the result. In the couple of weeks between the two latest studies conducted by the Institute

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of the Sociology of Parliamentarianism, 6,000 of its respondents had a dramatic change of mind. Support for Zyuganov dropped from 40-42 percent to 36 percent while support for Yeltsin rocketed from 27-29 percent to 36 percent (in terms of turnout).

As Nugzar Betaneli said repentantly during an interview with Voice of America: "The changes in the election campaign are staggering."

It emerges that only the Center for Studies of Russian Political Culture led by S.I. Vasiltsov is breaking ranks with the unified pro-presidential front presented by the leading sociological services, which publish in the Moscow press the details of their research based on Russia-wise samplings. All the others, now including Betaneli's institute, have recorded an unprecedentedly steep [upward] curve in the incumbent president's rating.

Although it is not over yet. And there are no guarantees that the next poll conducted by Vasiltsov's center on, say, problems with leasing premises will reflect the universal tendency to back the "nationally elected...."

However, even what amounts to virtually total unanimity when it comes to assessing the rosiness of Boris Nikolayevich's election prospects still arouses suspicion. And closer analysis of the published poll material once again illustrates that all is not clear here.

Take for instance the 4 June SEGODNYA article "Turning Point in Presidential Campaign," written by Sociology Professor Robert Brym of Toronto University based on material supplied by the All-Russia Center for the Study of Public Opinion on Social and Economic Questions. The Canadian is of course delighted to use the material with which he has been supplied to describe Boris Yeltsin's "political resurgence" and Zyuganov's predicted election defeat. But, like many foreign professors, Brym is more meticulous and open than some of our national sociological specialists. Therefore, when citing the figures for national support for Boris Nikolayevich Yeltsin, the Canadian academic innocently published the internal distribution of votes for Zyuganov and Yeltsin among supporters of various electoral associations involved in the previous elections. And this is how it turned out....

But everything in order. First let us cite Brym's table in full.

Table 1. How supporters of various December 1995 electoral blocs will vote in the first round of the presidential elections (in percentages).

Party, Bloc	Zyuganov	Yeltsin
Communist Party of the Russian Federation	85	7
Yabloko	4	24
Russia Is Our Home	5	79
Liberal Democratic Party of Russia	17	10
Women of Russia	19	43
Russia's Democratic Choice	7	70

Source: SEGODNYA, 4 June 1996.

Is that impressive? Yes, at first glance virtually all the people are rushing to vote for President Yeltsin. Let us believe this and just convert these relative figures into absolute figures on the basis of the December 1995 election result. Especially since people are trying to persuade us that the All-Russia Center for the Study of Public Opinion on Social and Economic Questions sample is reliable.

If we conscientiously multiply the above center's percentages by the number of voters who voted for a particular party in December 1995, we get a picture that looks terrible for B.N. Yeltsin's stellar ratings. (Incidentally, the parties cited in the table polled almost 41 million votes or 60 percent of the turnout).

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Table 2. How many supporters of various December 1995 electoral blocs will vote for the main contenders in the first round of the presidential elections (figures in thousands)

Party, Bloc	Zyuganov	Yeltsin
Communist Party of the Russian Federation	13,118	1,080
Yabloko	190	1,144
Russia Is Our Home	350	5,537
Liberal-Democratic Party of Russia	1,315	773
Women of Russia	594	1,345
Russia's Democratic Choice	187	1,871
Total	15,754	11,750

Thus, according to the selfsame All-Russia Center for the Study of Public Opinion on Social and Economic Questions (if the ratings are converted into absolute figures) 15.7 million people intend to vote for Zyuganov (out of 41 million) and only 11.7 million for Yeltsin. Or in relative terms (if you take all the voters of the parties and blocs mentioned in the table as 100 percent) 39 percent will vote for Zyuganov and only 29 percent for Yeltsin.

The internal figures produced by the All-Russia Center for the Study of Public Opinion on Social and Economic Questions and revealed by the Canadian professor coincide amazingly with both the forecasts produced by Betaneli's institute (before it experienced "staggering" changes) and the Center for Studies of Russian Political Culture.

It turns out that even the All-Russia Center for the Study of Public Opinion on Social and Economic Questions, as the main architect of sociological Potemkin villages, has come up with a reduced real rating for the incumbent president.

Needless to say, the following counterargument is possible: The mood of the 40 percent of voters not reflected in Brym's table is such that they promise all-out support for Boris Nikolayevich. And that is how his rating is being exaggerated. Possibly.

But that is all from the realms of political and sociological fantasy. Since those who have been "left out" include the almost 2 million voters of Aleksandr Rutskoy's "Derzhava" party, the over 1 million supporters of Ryzhkov's and Baburin's "Power to the People!" bloc, the over 3 million supporters of Viktor Anpilov's "Working Russia," the approximately 3 million voters of the Agrarian Party of Russia, etc.

To counterbalance these forces there are only 2.9 million voters from minor democratic associations and 3.9 million so-called "center-leftists" (trade unions, Rybkinites, etc) plus a couple of million from small parties of indefinable orientation.

Of course you might imagine, for instance, that Viktor Anpilov's supporters might want to vote for Boris Yeltsin, but even that bold assumption will not enable the All-Russia Center for the Study of Public Opinion on Social and Economic Questions to tie up all the loose ends.

Great sociological "hocus-pocus" is what emerges from behind the veil of secrecy surrounding the increase in Boris Nikolayevich's "superhigh" rating which the Canadian professor has imprudently lifted.

Were times quieter, the scientific community would probably ask the All-Russia Center for the Study of Public Opinion on Social and Economic Questions to publish all the figures from the table cited by Brym. And then there would probably be an animated debate regarding the methods used to build sociological Potemkin villages. Today, when only 10 days remain to election day, life itself is sorting everything out as happened in 1993 and 1995.

And although Voice of America reports optimistically that the "propaganda campaign launched in support of President Yeltsin is starting to yield dividends (meaning "favorable" sociological results), it is still too early to "reap the benefit." Kozma Prutkov [pseudonym of A.K. Tolstoy and the brothers Zhemchuzhnikov] warned: "Do not cut everything that grows...."

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Russia: Federation Council Approves President-Elect Inauguration Law

LD0606183396 Moscow INTERFAX in English 1601 GMT 6 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] Russia's future president-elect will enter upon his duties on the 30th day after his election as such, according to a relevant law approved by the Federation Council Wednesday.

The document clearly defines the procedure for inauguration of the president-elect, the ceasing of powers of the outgoing president and the scope of their powers when during the handover of the post.

The law obliges the president-elect to cease his membership in political parties and associations for the entire term of his presidency.

The law outlines the procedure for the handover of the "red button," office property and documents.

The law states the imposition of martial law or a state of emergency before the president-elect is sworn in cannot cancel or postpone the inauguration.

Deliberately impeding the president-elect from fulfilling his duties implies criminal responsibility, the document stipulates.

The Russian Federation Council has called on the Russian presidential candidates to strictly abide by the constitution and federal laws.

"The rival parties must unconditionally recognize the will of the people no matter who wins the elections," says an appeal passed by the upper house of the Russian parliament Wednesday.

The Federation Council believes that the presidential election campaign has entered the decisive stage which must result in a free expression of the citizens' will. In this connection the senators warned against any attempts to prevent voters from making their choice.

"The presidential elections must not lead to an increase in social tensions threatening a split in society. Each citizen, each politician, each statesman must do everything in his power to rule out the possibility of such a turn of events," reads the statement.

The upper house believes that the newly elected president must use the accumulated experience of democratic reforms to lead the country out of the crisis, strengthen the national economy and increase the prosperity of the citizens.

At the same time the senators assured the voters that they will not allow any extremism on the part of any political forces and ensure the observation of citizens' constitutional rights, law and stability in Russia.

Russia: Central Electoral Commission's Role Examined

964E1358A Moscow KOMMERSANT in Russian No 16-17, 14 May 96 pp 9-16

[Articles under the "Topic of the Week" rubric]

[FBIS Translated Text]

Penalties for Election Law Violations

Criminal liability for election law violations is stipulated in three sections of the RSFSR Criminal Code (the name of the country in the title still has not been brought into conformity with the political facts). These are Section 132 on "Prevention of the Exercise of Voting Rights by a Citizen of the Russian Federation or the Prevention of the Work of Electoral Commissions," Section 133 on "Forgery and Distortion of Election Documents (or Referendum Documents) and the Deliberately Inaccurate Tallying of Votes or Announcement of False Election (or Referendum) Results," and Section 133 [as published] on "Violation of Election Laws (or Referendum Laws) by a Person Previously Subject to an Administrative Penalty." The range of possible penalties varies depending on the severity of the crime and the degree of involvement, from a simple fine (with 300 times the minimum wage as the maximum) to five years in prison. Furthermore, the group of violators of the law can be expanded by charging offenders with violations of other sections of the Criminal Code, such as Section 195 on "Theft or Damaging of Documents, Stamps, Seals, and Official Forms" or Section 196 on "Forgery and the Production or Sale of Forged Documents, Stamps, Seals, and Official Forms." The possible penalties in these cases range from a fine equivalent to the minimum wage to a year of corrective labor or five years in prison.

Investigative and judicial bodies will even have insurance in the event of such violations in the form of the well-known sections of Subdivision 7 of the Criminal Code, "Crimes by Officials." There are eight of them, but four pertain directly to our topic—"Abuses of Authority or Official Status" (No. 170), "Actions in Excess of Authority or Official Status" (No. 171), "Negligence in Office" (No. 172), and "Forgery by Officials" (No. 175).

[begin box, chart information rendered as text]

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Structure of Central Electoral Commission

The Secretariat, deputy chairmen, and members of the Central Electoral Commission are under the jurisdiction of the commission chairman. The commission staff consists of administrations for legal support, analytical support, procedural organization, and financial oversight, a team of advisers, an international liaison department, and a press service. The Federal Informatization Center is an agency of the Central Electoral Commission.

[following converted from graphic]

Regional Distribution of Russian Voters
Region—Percentage of total
Central Russia—30
Siberia—17
Volga—17
Urals—14
North Caucasus—12
Northwest—6
Far East—4

[Color-coded map showing regional distribution of voters not reproduced; map key states that Moscow has 6,943,024 voters and St. Petersburg has 3,678,276.] [end box]

Interview With Aleksandr Veshnyakov, Secretary of Central Electoral Commission: 'Mistakes in Tallying the Votes Cannot Favor One Specific Candidate'

[KOMMERSANT] As a state agency, can you be objective?

[Veshnyakov] Some people believe that the Central Electoral Commission is too dependent on the government, but I feel that this is not true, and I am prepared to prove this. There is a law, after all, which not everyone has read in its entirety or, regrettably, has even wanted to read. It effectively excludes the possibility of any major distortions of election results.

[KOMMERSANT] What would you call the maximum range of error in tallying the votes?

[Veshnyakov] I have never even wondered what the maximum error might be. This is a question for a mathematician, but I believe it is quite low.

[KOMMERSANT] Could it be used in some way in favor of one candidate?

[Veshnyakov] This is not possible. Error exists only because the tallying is not done by machines, but by people, who can make mistakes. It is not possible, however, to manipulate the process to cause specific types of errors and then use these errors for the benefit of one person.

[KOMMERSANT] Were there any discrepancies in the records of the votes cast for and against candidates in the parliamentary elections?

[Veshnyakov] No. We published a breakdown of all the data of that election campaign by district commissions, which numbered 225, and by territorial commissions, which numbered more than 2,500. We have already had an opportunity to compare the primary reports from precinct electoral commissions with the data that were published. To date, we have not received a single report of a discrepancy.

[KOMMERSANT] Does the absence of these reports mean that there were no violations?

[Veshnyakov] Not necessarily, but I can tell you (and this is not just my own opinion because I was in contact with the State Duma Credentials Commission not long ago) that the number of complaints of this kind by State Duma deputies in connection with the December 1995 elections is only a fraction of what it was in 1993.

[KOMMERSANT] Would it be possible to use the "Elections" automated system for other purposes, in view of the fact that it is a costly system with colossal potential and will be used only once every four years?

[Veshnyakov] The system should be used primarily for elections, but our elections are not only federal and, for that matter, they are held more often than once every four years, as recent experience has demonstrated. The State Duma elections were held half a year ago, and now we are getting ready for the presidential elections. In addition, a referendum has been proposed....

[KOMMERSANT] What kind of referendum?

[Veshnyakov] It is a referendum on a question connected with what might be called Yuriy Skokov's initiating group. If the members can collect 2 million signatures in the next two months and submit them to the Central Electoral Commission according to the proper procedure, the matter will have to be considered by the president and the Constitutional Court. If all of these steps are completed, the president will have to schedule a referendum.

On another level, elections are being held by federation members. These are gubernatorial elections, parliamentary elections for republics, krays, and oblasts, and local government elections. In general, elections are becoming an ongoing process. Besides this, we feel that the system could also be used for certain national economic purposes: to count the number of citizens, to keep track of the demographic situation in Russia, and so forth.

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Interview With Aleksandr Ivanchenko, Deputy Chairman of Central Electoral Commission: 'There Have Been No Serious Violations of the Law and There Will Not Be Any'

[KOMMERSANT] Could election results be falsified in favor of a particular candidate? Is there any valid basis for this kind of talk?

[Ivanchenko] The law does not use the term "falsification." It is used when people who lose an election have to find external reasons—even forces from the beyond—for the defeat, so that they will not have to blame it on their own mistakes and miscalculations.

There have been no serious violations affecting the expression of the wishes of Russian voters in previous elections, and there will not be any in the upcoming presidential elections. This is guaranteed by the precise legal definitions of the sequence of the election campaign, by its public nature and glasnost, and by institutions of public oversight.

A presidential candidate, for example, can have up to 200 authorized representatives. These parties to the electoral process have important prerogatives, including the supervision of the work of electoral commissions.

Another important element of the election process is the electoral commission member with a voice but no vote, appointed by the candidate. These individuals are members of commissions on all levels—the Central Electoral Commission, each of the 89 commissions of federation members, and each of the 3,000 rayon (or municipal) commissions. All of this adds up to 100,000 interested and objective parties.

Authorized representatives of election associations and the initiating groups nominating the presidential candidates also participate in the presidential elections. They are also entitled to attend meetings of electoral commissions.

Finally, in accordance with sections 14 and 20 of the federal law on presidential elections, observers appointed by presidential candidates, election associations, and initiating groups nominating candidates may be present in election precincts on election day from the time the precincts open to the time when the official precinct voting record is signed by all of the members of the precinct commission. All of them are entitled to appoint one observer for each precinct commission.

In view of these institutions of public oversight, you probably would agree that any kind of falsification or abuses in preparations for the election campaign and the tallying of the votes are simply impossible.

Electing an Administrative Mechanism

According to sociological surveys, from one-half to two-thirds of Russia's voters believe that the results of the presidential elections of 16 June could be distorted. No more than one-fifth of the voters believe that the elections will be held honestly. Is this certainty justified?

Until recently the intellectual elite in Russia did not give any thought to the possible coexistence of formal democracy and pluralism and the official control of the political will of the people. The experience of several Latin American and Asian states indicates that this is possible in principle, but only on one immutable condition—the political system must exclude the possibility of fierce competition among several (but usually just two or three) political groups with comparable levels of political influence and public support. Without this essential condition, any attempt to subordinate the political process to a single party or social group leads unavoidably to the same result: the arrival of the military on the political scene, with a social philosophy once expressed succinctly by Mao Zedong—"Rifles breed power." Democracy, history tells us, can be tamed, but only by a strong master.

Unmanageable Democracy

The main condition for what some political analysts call "manageable democracy" is lacking in Russia. Even total control over all government structures cannot save the ruling political group from an election defeat if it steadfastly adheres to the line of pluralism. However much control the CPSU had over government institutions at one time, this control did not help it in 1989 or in 1990. Except for the famous "Red Hundred," the CPSU suffered a general defeat in the elections to the Congress of People's Deputies and to the Supreme Soviets of the USSR and Russia. The attempt to stage the Latin American scenario in August 1991 failed, and another attempt two years later was only partly successful. If Boris Yeltsin had banned the CPRF, we might be living in a totally different political atmosphere today.

Russia went through the critical period of democratic development in just under three years and now has everything necessary, from the formal standpoint, so that its political elite can loudly declare in such international forums as, for example, the Council of Europe, that the people are able to decide their own future independently in this part of the former USSR.

These declarations are validated primarily by the law "On the Fundamental Guarantees of the Voting Rights of Citizens of the Russian Federation," which went into force in December 1994. When the bill was being discussed in the State Duma, most of the factions

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were only concerned about excluding the possibility of programming the desired election results and then manipulating the voting records. That is precisely why the law is distinguished by such detailed provisions and such scrupulous descriptions of the procedure for casting ballots, tallying the votes, and determining the winners. Even if the other two election laws ("On Presidential Elections in the Russian Federation" and "On State Duma Deputy Elections"), adding more details to the already thorough law on guarantees of voting rights, had not been enacted last May and June, the earlier law could be applicable on its own. A simple description of its structure provides some idea of the limits on the freedom of the executive branch of government (and even the legislative branch) to regulate election campaigns and the elections themselves.

The law "On the Fundamental Guarantees of the Voting Rights of Citizens of the Russian Federation" consists of 10 chapters and 36 articles. The main chapters are these: "Guarantees of the Voting Rights of Citizens During the Compilation of Voter Rolls and the Creation of Electoral Districts and Election Precincts," "Guarantee of the Voting Rights of Citizens by Electoral Commissions," "Nomination and Registration of Candidates," "Status of Candidates," "Campaign Activity," "Campaign Financing," "Balloting Procedure. Tallying of Votes and Determination and Publication of Election Results" and, obviously, "Liability for Violations of Citizens' Voting Rights" (the article on liability refers to other laws, and the laws on presidential and deputy elections stipulate administrative or criminal penalties for these violations).

Fourth Branch of Government

When the law was being discussed in the Duma, two topics were the focus of interest—the procedure for creating the Central Electoral Commission and local electoral commissions and the procedure for creating electoral districts. Vigorous parliamentary opposition resulted in the deletion of the provision in the original draft stipulating that electoral districts would be created by agencies of the executive branch of government (an intermediate draft assigned this function to the legislative branch). Pursuant to the final draft, they are created by district electoral commissions and approved by the appropriate representative agencies of government. Experts from the majority of parliamentary factions felt that this procedure would be the best guarantee of the free expression of the public's wishes.

The principal legislative provisions of the whole electoral process, however, are those regulating the mechanism for the creation of electoral commissions, their status, and their work procedures.

By law, election preparations and proceedings in the country are the responsibility of the system of electoral commissions, representing a symbiosis of state agencies and public political organizations. The system as a whole corresponds to the state structure of the Russian Federation and consists of a Central Electoral Commission on the federal level and district, territorial (rayon, municipal, etc.), and precinct electoral commissions on the level of federation members. Article 11 of the law "On the Fundamental Guarantees of the Voting Rights of Citizens of the Russian Federation" states that electoral commissions will be independent (within the confines of their authority) of state agencies and local government agencies during election preparations and proceedings. Furthermore, the published legal instruments of the electoral commissions are binding for agencies of the executive branch of government on all levels, as well as for local government agencies, institutions, enterprises, officials, and public organizations. This lends validity to the statements about the electoral commissions as a fourth branch of government.

The independence of the electoral commissions is guaranteed, nevertheless, not by their legally stipulated independent status, and not by their broad powers, but by the procedure for their creation. In accordance with law, the Central Electoral Commission consists of 15 members. Five are appointed by the president, another five are appointed by the State Duma (from among candidates nominated by deputy associations), and the other five are appointed by the Federation Council on the recommendations of federation members. The term of office of the Central Electoral Commission is set, predictably, at four years, corresponding to the constitutional term of office of federal agencies of the executive and legislative branches of government. Electoral commissions on lower levels are created according to the same rules, but the specific procedure is defined autonomously by each federation member and local agencies of government and self-government. At one time State Duma experts directed attention to Article 13 of the law on the guarantees of voting rights, in accordance with which registered candidates were entitled to appoint a single member with a voice but no vote to their own electoral commissions and to electoral commissions on lower levels. The law guarantees them access to all of the records of the electoral commission and even the right to address commission meetings. A year and a half ago these prerogatives were regarded as a guarantee of the impossibility of a situation in which electoral commissions would play by their own rules in elections, or even by the rules of one of the candidates.

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Possible Violations

What are the suspicions of the supporters of the conspiracy theory?

First of all, there is the falsification of ballots: Unused ballots, filled out "in the right way," are dropped into the ballot boxes. The resulting balloting records do not correspond to the figures obtained from the tallying of votes. Aleksandr Sobyanin, a vigorous supporter of this theory and the head of an independent analytical team, feels that the weakest link consists of the rayon electoral commissions where the precinct results are tallied. Here is what he had to say about this: "As a rule, candidates do not take the trouble to delegate their own representatives on the level of rayon electoral commissions, and there is usually no parallel collection of precinct voting records by anyone representing the candidates or parties. In the absence of any control whatsoever over the work of rayon electoral commissions, the results of the collation of the precinct figures in the precinct voting records can differ fundamentally from the actual ballots cast in election precincts." Sobyanin estimates that around 20 percent of all the ballots in 1993 and 1995 in Russia were the products of manipulation and violations of this type. It must be said that this figure has been refuted by the experts of Duma factions and by Central Electoral Commission spokesmen.

The next group of conspiracy scenarios could be called "technical." They are directly related to the charges that the Central Electoral Commission is politically biased. In private conversations members of the commission have not excluded the possibility of these violations, but they have denied the possibility of their conscious commission. First of all, absentee ballots can be declared valid or invalid depending on circumstances (according to the type of ballot stub). There have been rumors that this applied to 15 percent of the total in past elections, but the Central Electoral Commission denies this.

Second, the number of ballots printed exceeds the number of voters. According to regulations, the "excess" should not be equivalent to more than 1 percent of the total. Some local elections, however, have proved that this is far from true. When Anatoliy Tyazhlov was elected governor in Moscow Oblast, for example, schoolchildren in the settlement of Chernogolovka found a whole carton of blank ballots. As a result of the 1995 parliamentary elections, the population of Russia "grew," according to unofficial data, by 5 percent.

Third, the use of computer technology and, in particular, the "Elections" state automated system (established by a presidential edict of 23 August 1994). False information can be entered by electoral commissions and then serve as the basis for voting records. Meanwhile, public opinion is swayed in the necessary direction by the show the Central Electoral Commission stages. The strong points of this argument are the general public's unfamiliarity with computer technology and the fact that the designers of the automated system—the "Voskhod" Institute and the RF Committee on Information—are part of the presidential administration.

Election Monitoring Practices: Only Israel Has a Structure Comparable to Russia's Central Electoral Commission

Great Britain has four district parliamentary commissions (in England, Wales, Scotland, and Northern Ireland). They are independent bodies. Their main function is to draft recommendations on the scheduling of elections. The tallying of votes is considered to be a purely technical process, and no one views ballot tampering as a serious possibility.

The speaker of the House of Commons is the ex officio chairman of each of the commissions. The deputy chairman, who actually directs the work of the commission, is appointed from among the members of the Supreme Court by the Lord Chancellor. Another two commission members are appointed by the secretary of state for the Home Department and the secretary of state for the environment. Besides this, each commission has two experts and two secretaries, and may have additional staffers if necessary.

The principal function of the Federal Elections Commission in the United States of America is the enforcement of campaign finance laws. The commission is an independent body monitoring the observance of the legally stipulated financial and other regulations of presidential campaigns.

The commission's six members are appointed by the president with Senate consent. They serve on the commission for six years, with two of the members replaced every two years. No more than three members can belong to the same political party, and decisions are made by a vote of at least four. Each year one commission member serves as chairman, and no one may occupy this position twice.

In Canada, recommendations on elections and the general oversight of the electoral process are the functions of the general commissioner of elections and the members of his staff, but the enforcement of election laws during elections is the job of an election commissioner appointed by the general commissioner. This commissioner conducts investigations either on his own initiative or in response to complaints of violations of election laws and institutes judicial proceedings when necessary.

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In Israel elections are monitored by the Central Electoral Commission. The commission is headed by one of the Supreme Court justices and must include representatives of all parliamentary parties. Besides this, elections are monitored on the local level by regional electoral committees, made up of representatives of at least three parliamentary parties. This year will be the first time the prime minister of Israel will be elected by a direct general vote at the same time as the parliamentary elections.

In Hong Kong, the general monitoring of elections and drafting of election recommendations are the responsibility of a three-member electoral commission. The commission forwards its recommendations to the governor of Hong Kong. The commission's executive body is the Bureau of Registration and Elections, headed by the general commissioner of elections. The bureau, which is a subdivision of the country's government, is responsible for the direct oversight of elections.

Elections in Australia are monitored by the Australian Electoral Commission. All candidates and political parties must submit detailed reports of campaign expenses to the commission, and the news media must submit records of campaign advertising. Each voter must register and vote (the commission keeps computerized records of voters). Otherwise, he may have to pay a fine.

The Kazakhstani Precedent

Parliamentary elections were held in Kazakhstan in March 1994. Many observers noted the high number of violations. Elizabeth Winship, a representative of the CSCE Bureau of Democratic Institutions and Human Rights, for example, said that "the election process does not correspond to international legal standards." Nevertheless, the head of the Kazakhstani Central Electoral Commission, Karatay Turysov, said that these errors "would not affect the general democratic nature of the elections." When the elections were over, members of the opposition had won only 23 of 177 seats.

A month later, Tatyana Kvyatkovskaya, who had run for office in Almaty's Abylaykhanovskiy Electoral District and had lost by a small margin to the deputy chief of the capital administration, petitioned the Constitutional Court to invalidate the elections in her district. Kvyatkovskaya's petition, in contrast to others (the court received numerous appeals from unsuccessful candidates for parliamentary seats), was accepted for review because, in the opinion of the justices, "it was compiled in the proper legal format."

The hearing dragged on for eight months (from July 1994 to March 1995). When it was almost over, Kvyatkovskaya suddenly issued a new statement on 15 February 1995, calling the whole method of tallying the votes, established by the Central Electoral Commission of Kazakhstan, unconstitutional. Her main argument was that when the Central Electoral Commission was creating electoral districts, it "carved them out" in such a way that one had 16,000 voters while another, for example, had 100,000.

After this the private petition turned into a statewide case. In contrast to the former, the latter hearing took much less time. By 6 March 1995 the Constitutional Court of Kazakhstan had granted Kvyatkovskaya's request and invalidated the parliamentary elections in the republic. Pursuant to the court's ruling, President Nursultan Nazarbayev dissolved parliament and retired the government.

A new national Constitution, endowing the president with more powers than before, was adopted after public debates on the national level, and a new parliament was elected.

Interview With Igor Gorshkov, Director of Federal Informatization Center: 'The Accuracy of the Automated Election System Is 99.99 Percent'

[KOMMERSANT] What is the maximum error in the tallying of the votes by the "Elections" state automated system?

[Gorshkov] According to the system's technical specifications, the accuracy of data processing is 99.99 percent, and the remaining fraction of a percent cannot be skewed in any specific direction.

[KOMMERSANT] Can the system be used for other purposes between elections?

[Gorshkov] There are no restrictions on the use of the system during the period between elections. The Central Electoral Commission is now drafting documents to regulate the use of the system. There is no question that the system could work on jobs comparable to election records: a variety of statistical computations using population figures.

[KOMMERSANT] What is the total cost of the automation project? How much of the money has already been used?

[Gorshkov] Starting up the first section last year cost 150 billion rubles. Funding in the amount of 300 billion rubles is anticipated in 1996. In general, the expenditures on the system are regulated by the federal program of development up to the year 2000. The program has been approved, but it is not being funded in full yet.

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[KOMMERSANT] What do the results of the system's computations represent from the purely legal standpoint?

[Gorshkov] The legal validation of election results using the automated system is a relevant matter. A law on the use of the automated system in election campaigns is now being drafted, and it will address the issue of legal validity.

At this time the mass media refer to the "Elections" state automated system, instituted on the orders of the Central Electoral Commission, as a system with some kind of potential for doctoring election data. In fact, however, the falsification of election results with the aid of the automated system will not even be theoretically possible until 2000: The completion of the system (and the passage of federal laws on its use) is scheduled for the beginning of the next century. At this time only the so-called first section of the system has been completed: Computer and telecommunications equipment has been installed in only around 3,000 electoral institutions—the Central Electoral Commission, the electoral commissions of federation members, and district and territorial electoral commissions (and only partly in the case of the latter). In other words, one of the five levels of electoral commissions—the lowest and the largest, the local election precincts—is not included in the automation experiment. Everything there will continue to be done manually.

Incidentally, even on the other levels most of the work will be done by hand: Only manually calculated election results will be legally valid. The computer system will produce preliminary results just a few days before the name of the president is determined from the tallying of precinct figures. If the computer results coincide with the official results, the automation project will be continued and will cost around $400 million in four years.

The use of electronic methods to tamper with ballots can only be discussed seriously as a possibility after all of this has been completed.

Situations Not Envisaged by Law

Experts on constitutional law, who preferred to remain anonymous, spoke with a KOMMERSANT correspondent:

There are no loopholes in the Constitution and the Law on Presidential Elections, although some possible situations are not covered by law. If one of the candidates is seriously impaired or dies on the eve of the elections, for example, this will not keep the elections from being held on schedule, unless, of course, the unfortunate incident occurs simultaneously to all of the contenders or to 10 of the 11 candidates. It makes no difference whether this happens to an ordinary candidate for the presidency or to the incumbent president running for re-election.

Dramatic events or extraordinary circumstances requiring the declaration of a state of emergency in the country are a different matter. In this case the Federation Council can postpone the elections if it approves of the declaration of the state of emergency. It is interesting, incidentally, that the law says that elections will be scheduled by the Federation Council, but it does not say who is empowered to cancel them or change the scheduled date. Legal experts say that this is also the prerogative of the Federation Council (a case of implied authority) in the presence of extraordinary circumstances. In addition to a state of emergency, these circumstances could include a threat or act of aggression against the country or the physical incapacitation of the president (in the latter case the law requires the scheduling of early elections).

What about the circumstances Aleksandr Korzhakov, the chief of the president's security service, warned about in his public statements? What if the scheduled elections could lead to civil altercations and heightened instability? Legal experts feel that this is also a case in which a state of emergency could be declared. If the data of the special services were to warrant this move, the decision would be left up to the Federation Council.

Could the Constitutional Court interfere with the election proceedings? No, it has not received any specific petitions yet. The court could, for example, review the constitutionality of the Law on Presidential Elections. It could also make statements on an unlimited group of issues, but these statements would have no legal force.

The Mechanized Division of Democracy, by Maksim Sokolov

The sacred core of democracy—representative government—cannot exist without a fairly complex mechanism to make the final decision on the public's choice of governing officials.

The axiom that "power is derived from the people" is an emotionally charged belief. The aphorism that "there are three kinds of lies: lies, blatant lies, and statistics" is cynical. Democratic elections are based on a harmonious combination of these two assumptions, because the statistical computations of the electoral commission have immediate and extremely important political and legal implications. The future of the nation is decided by means of the third type of lie.

I am not saying this to discredit democracy—it is, as Churchill once said, the best form of government barring

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all others—but to focus attention on the inexplicably overlooked fact that the verdict of the voters is not heard directly, like the voice of God, but is determined in the depths of a state institution. This institution is part of the society, and for this reason the level of its refinement and integrity is generally and wholly commensurate with the level of the whole society. Each society has the kind of electoral commission it deserves, and that is why the view of general elections as the best cure for society's ills seems too optimistic. Even if we make the bold assumption that the united voice of the people is never wrong, we have to realize that this voice in itself is rather fictitious and not directly perceivable. Its interpretation requires an instrument in the form of a pyramid of electoral commissions, and the accuracy of tools of measurement, as we know, can differ widely—from a lined ruler to a laser instrument.

In the direct context of Stalin's manipulation of the Central Committee elections at the 17th Congress of the All-Russian Communist Party (of Bolsheviks), the leader's statement that "what they believe is more important than how they vote" sounds horribly cynical, but the intense repetition of this aphorism with regard to our own post-Soviet elections, obviously underscoring the sinister image of the general secretary counting the votes and on the whole funereal atmosphere of the "Congress of Victors," obscures another meaning of the statement—not the villainous meaning, but the purely gnosiological meaning: that even the completely conscientious researcher's knowledge of the object of analysis is strictly limited by the set of research tools he uses. The tools we have, starting with the precinct electoral commissions, are all that we have.

Irrespective of the actions and intentions of specific heroes of Russian electoral policy, today's elections highlight the inherent problem of the representative form of government: Effective democracy is possible only when votes are tallied strictly and honestly, but these calculations in themselves are the product of developed and mature democracy. All of the Western electoral systems that inspire us grew out of extreme improprieties. The "mother of all parliaments"—the British House of Commons—experienced a phenomenon in the 19th century known as the "rotten boroughs": uninhabited districts which had no voters but which regularly sent deputies to London. It is unlikely that the Russian electoral system could have a more colorful history than the British one.

In any case, until the society proves, by its effective involvement (rather than its presently invisible participation) in the oversight of elections, that it views the operating problems of the mechanized division as its own vital concerns, the passionate attempts to discredit the work of the Central Electoral Commission may not be completely unfair, but they are rather senseless—as senseless as the hope that the electoral commissions will miraculously represent a ray of light in the darkness of the Russian kingdom.

[begin box] Judging by all indications, no candidate will be able to falsify the results of the presidential elections. Nevertheless, the public is skeptical. Some future voters view the work of electoral commissions with suspicion while others view it with hope.

Nikolay Ryabov insists that "we cannot guarantee who will be elected, but we can guarantee that our results will reflect the true intentions of the voters." The main candidates, who have been given every opportunity for their total presence in all election precincts without exception, will also see to this. Therefore, when a KOMMERSANT correspondent asked a high-level official of the presidential administration about the possibility of skewing the election results in favor of Boris Yeltsin, the official was probably telling the truth when he replied with mock dejection: "We would gladly do this, but we could never get the electoral commissions to play by our rules." [end box]

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CIS: ITAR-TASS Carries Press Review for 7 Jun

LD0706054396 Moscow ITAR-TASS in English 0527 GMT 7 Jun 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 7 (Itar-Tass) — Follows a review of Friday's Moscow-based Russian newspapers dated June 7. Today's press highlights the talks between the delegations of the Federal centre and Chechen separatists.

ROSSIYSKAYA GAZETA today issued a special edition dealing with Chechnya under the headline "The war has been stopped, but peace has not yet set in".

"The talks proceed with difficulty, unpredictably at times. But they are carried on, and this inspires a certain optimism. Meanwhile, the intransigents continue to commit their evil deeds: firing duels are fought, and people still get killed.

"The press reports that yet another day of negotiations in Nazran, the capital of Ingushetia, has ended without results. The sides did not manage to sign a ceasefire protocol and an agreement on an exchange of prisoners-of-war, which were on the agenda," the newspaper writes.

ROSSIYSKIYE VESTI on the need for a political settlement of the Chechnya conflict.

The newspaper carries an article headlined "The Presidential formula for inducement to peace in Chechnya dismisses both the stand of insipid peacemakers, and the party of war" by Emil Pain, leader of the Working Group to the President of the Russian Federation and member of the Presidential Council.

Pain explains the need for inducement to peace by saying that it is impossible to settle the Chechnya crisis by force alone, the more so as "we deal with an utterly specific type of combat operations — guerrilla warfare."

"This is why the only way to settle this kind of conflicts is to reach political accords. This is an absolutely universal rule," Pain concludes.

ROSSIYSKAYA GAZETA on a quest for Russia's road.

The newspaper runs an article by Leonid Openkin, Dr of Science (History), under the headline "The river of time does not flow backwards".

"At the turn of the 20th century, Russia has found itself in a historical trap, a social labyrinth. On the one hand, it is no longer possible to copy out the reform policy course that has taken shape in recent years and under the impact of which about 60-70 per cent of Russian citizens have been living in proverty for years, impossible because in society, where the majority of the population feel dislodged from normal life, it is hard to expect stability and social peace.

"But also impossible is something else, namely, a reversion to the Socialsit past," the scholar concludes.

IZVESTIYA and ROSSIYSKIYE VESTI run articles analysing the economic programme of the "people's-patriotic forces" headed by Gennadiy Zyuganov.

Nikita Vainonenn in ROSSIYSKIYE VESTIA maintains that the Communists would have nowhere to get money from in order to keep their promises. It is possible, though, to eat up currency and gold reserves, which have been mustered up with such a difficulty in recent years. If something goes wrong, they would be able to lay the blame on "disrupters" or "robbers". This is precisely what the Bolsheviks did in 1917, the writer of the article emphasises.

KRASNAYA ZVEZDA on the Treaty on Conventional Forces in Europe (CFE).

Analysing the CFE Treaty, which was signed in 1990, Colonel-General Dmitriy Kharchenko, Deputy Chief of the General Staff of the Armed Forces of the Russian Federation, points out that the CFE now meets Russia's interests. He drew this conclusion on the strength of the decisions of the conference held in Vienna recently, to review the implementation of the CFE Treaty.

A comprimise plan to settle the problem of flank force limits was also introduced and approved as a supplement to the Conference's Final Document. Under the plan, "Russia by withdrawing a number of territories from flank limitations may keep such an amount of conventional arms which meets our requirements for the flank regions of the country," Kharchenko observes.

TRUD on the problem of federalism.

The newspaper carries an article by its political analyst Yuriy Lapskiy, who believes that "the problem of federalism will be the main thing which a president of Russia will be faced with after the elections, irrespective of whether President will be a Communist or a Liberal". Lapskiy is of the opinion that the problem of the federal set-up of the country will arise sooner or later.

KOMSOMOLSKAYA PRAVDA reports that the workers at the shipbuilding yards in the town of Gorokhovets, Nizhniy Novgorod Region, have not been receiving wages for two years. Driven to despair, the shipbuilders staged a protest action, cutting off the Moscow-Nizhny Novgorod highway. But in order to reassure and calm the workers down, it remains only to find 2,500 million roubles for the repayment of wage arrears.

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Russia: Grachev: European Security Must Not Be Based on Blocs

LD0706105396 Moscow INTERFAX in English 1038 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — European security should not be based on a system of military blocs, Russian Defense Minister Pavel Grachev said at a Friday meeting in Moscow with Secretary General of the Western European Union Jose Cutileiro. All countries of Europe must be involved, the Russian official said.

At his initiative four matters "capable of strengthening European stability and security" were debated: the formation of a new security system in Europe, the prospects of NATO enlargement, possible spheres of military cooperation between the WEU, and the situation in the Balkans.

Grachev expressed his satisfaction with the results of the NATO council session held in Berlin this week.

"The Berlin meeting was unusual because it saw the growth of the role of the WEU in resolving West European problems. The fact that the union got greater independence from NATO on European security matters is very positive," the minister said.

Russia: Russian Diplomat: NATO Seems To Back Off From Enlargement

LD0606111296 Moscow INTERFAX in English 1047 GMT 6 Jun 96

[FBIS Transcribed Text] MOSCOW, June 6 (Interfax) — A Russian Foreign Ministry spokesman says the main outcome of the North Atlantic Cooperation Council in Berlin is that NATO countries seem to have taken off the agenda the argument of a determined expansion of the alliance to the east.

In an interview with Interfax on Thursday, Grigoriy Karasin, who was part of the Russian delegation led by Foreign Minister Yevgeniy Primakov, said although mentioned, the enlargement theme did not dominate the agenda.

He said the latest NATO resolutions approved in Berlin see the alliance as part, but not the sole body of the overall European security system. "Clearly, NATO is changing. The alliance is shifting away from globalism to solving regional issues, including peacemaking. We can actively cooperate in this direction as shown by Bosnia," Karasin said.

NATO officials also agreed that no issues of European security could be solved without Russia and that its position must be accounted for, Karasin said.

"In other words, President Boris Yeltsin's policy of heading off any NATO enlargement was fully justified," the Russian diplomat said.

Russia: Russia 'Will Not Accept' NATO's Eastward Expansion

MM0606135896 Moscow ROSSIYSKIYE VESTI in Russian 6 Jun 96 p 1

[Report by Yuriy Nikolayev: "Russia Will Not Accept the Expansion of NATO"]

[FBIS Translated Text] It is impossible to build a European security system without Russia — that is the conclusion which our NATO partners reached during a sitting of the North Atlantic Cooperation Council, held in Berlin the other day. Frankly, this conclusion is very sober and realistic. It can also be said that NATO is for the first time taking steps, though not always confident ones, in the sphere of adapting itself to the new reality.

Remember, the council has existed since the end of 1991 and is designed to serve as a link between the 16 members of the North Atlantic alliance and states which are not members, that is, Russia and the other former USSR republics, as well as East European countries which were part of the Warsaw Pact. It brings together 38 states in all. So its conclusion on the subject of European security and the creation of its new structure sounds all the more weighty.

The results of the Berlin session as a whole generated satisfaction among its participants, and the meeting between our foreign minister and the NATO Council, based on the "16+1" formula, was acknowledged to be useful. The head of Russian diplomacy and NATO Secretary General Javier Solana called it frank, useful, and constructive. But almost inevitably there were some misunderstandings. FRG Foreign Minister Klaus Kinkel saw the statements made by our minister as "a relaxation in the Russian stance" on NATO's eastward expansion. French Foreign Minister Herve de Charette rated highly his dialogue with his Russian colleague, saying that it is necessary to take all the sides' concerns and interests into account when developing relations between Russia and NATO. At the same time, he has not discerned any changes in Moscow's line regarding NATO's expansion.

Simultaneously an AP report began circling the globe which claimed that the Russians may agree to an increase in the number of NATO members if no foreign troops are stationed on the territory of the alliance newcomers. Yevgeniy Primakov immediately debunked this erroneous assessment of the Russian stance, which the agency obtained who knows where. This, he said,

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does not correspond to reality at all. Russia cannot agree to the expansion of NATO if this leads to the bloc's military infrastructure coming closer to its borders.

At the same time, he noted with satisfaction that in the alliance's activity the emphasis is moving toward peacekeeping and the preventionof regional sources of instability. The minister confirmed once more that Russia sees NATO as one component of European security, rather than as the only factor in its creation. In his opinion, it is a multipolar world rather than a unipolar world that leads to cooperation between European and Euroatlantic organizations. But the scenario of the preparation of new alliance members may lead to the emergence of new dividing lines in Europe.

Russia: Moscow Agrees With OAS Concern Over Helms-Burton Law

LD0606162296 Moscow ITAR-TASS in English 1558 GMT 6 Jun 96

[By Valeriy Agarkov]

[FBIS Transcribed Text] MOSCOW, June 6 (Itar-Tass) — Russia's attitude towards the anti-Cuban law passed by U.S. legislators, coincides with the views held by members of the Organization of American States [OAS], Foreign Ministry spokesman Grigoriy Karasin told a briefing on Thursday.

The Act, known as Helms-Burton law, stipulates a tougher embargo against Cuba and sanctions against its trade partners.

"We have repeatedly noted and are again pointing at the extra-territorial nature of this law, which encroaches on the integral right of sovereign states to practice free trade with each other," Karasin stated.

As many as 32 states from the 34-member organization expressed "serious concern" over this regulation.

In an OAS resolution passed at its 26th General Assembly in Panama, member states requested the pan-American judicial committee to give its decision as to whether or not the Helms-Burton regulation complies with international law.

Only a U.S. representative voted against the resolution at the OAS Assembly, Karasin said.

According to him, the OAS's resolution reiterated the concern of the majority of its members over the Washington's move.

Russia: Court Hearings on Russian Spy Case Start in Toronto

LD0606125796 Moscow ITAR-TASS in English 1153 GMT 6 Jun 96

[By Nikolay Setunskiy]

[FBIS Transcribed Text] OTTAWA, June 6 (Itar-Tass) — Court hearings of a case on violating Canada's immigration legislation by two persons whom the Canadian Security Intelligence Service (CSIS) accuses of illegal intelligence activities in favour of Russia, started in a Toronto suburb on Wednesday.

Hearings which may result in a decision to deport the couple, Laurie and Ian Lambert, from Canada for living in the country with forged documents, will be completed earlier than planned.

The thing is that Clayton Ruby, a high-profile criminal lawyer representing the couple which are indicated in CSIS documents as Dmitriy and Yelena Olshanskiys, stated that, due to a change of his previous position, he does not intend to challenge the constitutionality of the arrest and deportation of these persons.

He said that his clients want to go home and that he received an instruction to do his best to make this possible. It is quite probable that the two will be deported over the next few days, he told reporters.

He added that a judicial appeal against a judgement on deportation would possibly take several years which his clients had to spend behind bars.

CSIS spokesman Gaetan Blais, on his part, refrained, in actual fact, from comments. He told reporters that the only thing he was ready to say concerning this case was that the service is satisfied with its outcome.

Earlier, Canadian authorities claimed that the Olshanskys had come to the country with forged documents and started preparing for future intelligence activities.

According to a CSIS version, they were supposed to be used not in Canada with time but in other countries, possibly in European states. Following their expose and arrest, authorities decided not to clamp espionage charges on the couple but to rely on the fact of their violation of immigration legislation.

In Moscow, representatives from the Russian Foreign Intelligence Service and the Chief Intelligence Department of the Russian General Staff refused to make any comments on affiliation of the detained persons in Canada to these organisations.

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Russia: Intelligence: Poland's Kwasniewski Never Worked for Moscow

LD0706100696 Moscow INTERFAX in English 0955 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — Russian foreign intelligence (SVR) spokeswoman Tatyana Samolis has dismissed as "sheer nonsense" allegations that the current Polish president, Aleksander Kwasniewski, worked for the Soviet and then Russian intelligence.

"All intelligence services around the world, including SVR, stick to the rule of never commenting on whether this or that person was its agent or not. In this case, bearing in mind the absurdity of charges against the Polish head of state, we depart from this rule," Samolis said in an interview on Friday.

The charges against Kwasniewski were made several days ago by former Polish Interior Minister Pavel Moczydlowski. He claims that the leader of Poland's socialists who won the recent presidential elections had worked for Moscow under the nickname Kat.

According to the Polish press, the investigation held by the Polish counter-intelligence failed to confirm the former interior minister's claims.

Another leading Polish politician, Jozef Oleksy, had been accused of connections with Soviet and then Russian secret services earlier. Although the charges against him were not supported by arguments, either, they forced the prime minister to step down.

Russia: General Says Spy Agencies Active in Russian Far East

LD0706090396 Moscow INTERFAX in English 0835 GMT 7 Jun 96

[FBIS Transcribed Text] KHABAROVSK, June 7 (Interfax-Eurasia) — There is no let up in the activities of foreign spying agencies in the Russian Far East but they are kept under close surveillance, Maj. Gen. Aleksey Tyazhlov, Russian Federal Security Service (FSB) chief in the Khabarovsk territory, told a news conference in Khabarovsk Friday.

The CIA and Chinese and North Korean intelligence services follow the economic and political situation in the region through their legations, he told Interfax-Khabarovsk. Tyazhlov said that the South Korean intelligence was not allowed to set up a spy ring under the guise of religious missions.

Spies posing as engineers and consultants in conversion to peaceful production have tried to infiltrate defense factories in the territory, he said.

In the first quarter of 1996 alone 169 Chinese who arrived in the framework of an exchange in the Khabarovsk territory subsequently moved "to other parts of the country where guided tours are not provided," Tyazhlov said.

The Khabarovsk FSB board is setting up a regional anti-terrorist center which will fight, in particular, illegal arms trafficking, he said.

Russia: Moscow, Tokyo Satisfied With Talks on Fishing Problems

LD0606132696 Moscow ITAR-TASS in English 1302 GMT 6 Jun 96

[By Andrey Varlamov and Vladimir Kutakhov]

[FBIS Transcribed Text] MOSCOW, June 6 (Itar-Tass) — Moscow and Tokyo are satisfied with the results of the 6th round of the Russo-Japanese talks on fishing cooperation in the area of the Southern Kurilles, which has ended here. However, they are yet unable to predict when an agreement will be signed to provide solid legal guarantees for Japanese fishermen in that area. The Russian delegation to the talks, led by First Deputy Director of the Second Asia Department of the Russian Foreign Ministry Vasiliy Dobrovolskiy, included representatives from the Russian Foreign Ministry, the State Fishing Committee, and the Federal Borderguard Service. Japan was represented by officials of the Foreign Ministry, the Ministry for Agriculture, Forestry and Fishing, and the Sea Safety Agency.

"In addition to plenary sessions," Dobrovolskiy told Itar-Tass, "a meeting of the fishing panel was held during the negotiations to discuss concrete problems linked with fishing in the said area. The Russian side consistently pressed for the promotion of mutually profitable fishing cooperation, for the prevention of poaching, and for strengthening the legal foundations of the Russo-Japanese good-neighbour relations."

Asked about the prospects of this Russo-Japanese dialogue, the head of the delegation stressed that the "negotiations were comprehensive and covered a wide range of problems, both practical and legal". Noting that "not everything is running smoothly", the diplomat said that it was "premature" to predict the timelimits for the conclusion of a corresponding agreement.

Vice-Chairman of the State Fishing Committee Vyacheslav Zilanov told Itar-Tass today that the behaviour of Japanese fishermen obstructed an early conclusion of such an agreement. "If the Japanese did not violate our borders and fished in accordance with the existing agreements, if they honoured the Russian fishing regulations and control," he stressed "it would have been easier

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to quickly conclude an agreement to regulate Japanese fishing around the Southern Kurilles."

A high-ranking official of the Japanese Ministry of Agriculture, Forestry and Fishing told Itar-Tass today that Japan was on the whole satisfied with the 2-day Moscow talks. He noted that the Moscow meeting was useful for both sides and that it was marked by a "constructive and friendly spirit". The sides "discussed various ways" to reach an agreement on fishing in the area of the Southern Kurilles, but have not achieved unanimity yet. The official did not disclose the essence of the existing differences, but several analysts here believe that they could have been linked with the continuing Moscow-Tokyo territorial dispute over these islands.

Russia: N. Koreans 'Cautious' Over Closer Ties With Russia

MM0606132396 Moscow PRAVDA ROSSII in Russian 6 Jun 96 p 2

[Report by Valentina Nikiforova: "Hard To Restore Trust"]

[FBIS Translated Excerpt] A State Duma delegation led by Speaker Gennadiy Nikolayevich Seleznev has paid a four-day official visit to the DPRK and Mongolia. It can be said right away that the trip was a success; deputies and all delegation members worked harmoniously. It is a pity that something unforeseen happened at the very beginning: The DPRK Embassy failed to issue visas to INTERFAX, ITAR-TASS, and RIA NOVOSTI correspondents. [passage omitted]

When the State Duma delegation spoke to Hong Song-nam, deputy premier of the DPRK Administrative Council, and deputies talked about the need to conclude a new treaty between Russia and the DPRK as soon as possible, handing the country's leaders a draft entitled "On the Fundamental Principles of Friendly Relations," the latter were in no hurry to give a definitive response, saying that it needed discussion. Korean parliamentarians were equally cautious and did not go into raptures. "We are studying it," was their response. Nor did one delegation member's announcement of a project to ship Yakut gas across the DPRK cause the North Koreans to melt. The project may certainly suit them, but they would like more guarantees. And right now the DPRK and Russian intergovernmental commission has only just started work. But the neighbors hope that "prospects will be good." And Kim Yong-nam, member of the Korean Workers Party Central Committee Politburo, deputy premier of the Administrative Council, and foreign minister, commented on the "big treaty" ("On the Fundamental Principles of Friendly Relations"): "It is possible if Russia pursues a policy that takes account of specific conditions." [passage omitted]

The State Duma deputies discussed possible projects for bilateral cooperation between the parliaments and friendship groups, and invited deputies and the chairman of the Supreme People's Assembly to visit Russia. And they do seem to have met with understanding here. State Duma Speaker G. Seleznev said at the news conference:

"We note with satisfaction that after a four-year chill in our relations warmer times are setting in. We have seen that any questions — even the most critical — can be tackled at the negotiating table."

"A country that is as concerned for its children as the North Koreans are has a future," Deputy V. Tsoy remarked. "And we are bound to be friends with such a country." [passage omitted]

Russia: ASEAN Members Interested in Russia's 'Intellectual Potential'

MM0706100796 Moscow IZVESTIYA in Russian 7 Jun 96 p 3

[Report by Elmar Guseynov: "Calculations Made, Amazement Voiced, and Decision Made To Investigate"]

[FBIS Translated Excerpt] Your IZVESTIYA correspondent arrived at the Chamber of Trade and Industry on Ilinka at the same time as a police motorcade carrying a high-ranking visitor to Moscow, the secretary general of ASEAN.

Mr. Ajit Singh was visiting Russia at government invitation, issued two years ago by then Foreign Minister Andrey Kozyrev. The visit had been postponed owing to endless business at ASEAN and possibly because there was no particular need to go to Moscow, far-removed as it is from ASEAN affairs.

Then came an excuse to take advantage of the invitation. Russia interested members of ASEAN as a rapidly growing business partner. In the period 1994-1995 reciprocal trade turnover between our country and the ASEAN countries rose phenomenally, from $1.6 to $4 billion, that is, it virtually trebled. Although, to be fair, it should be pointed out that trade with Russia is still insignificant on an ASEAN scale. The ASEAN countries bought and sold goods and services worth $500 billion last year. [passage omitted]

But trade and the position of countless joint ventures involving businessmen from the ASEAN countries is not the main thing interesting Mr. Singh in Moscow. He met with Boris Saltykov, Russian minister of science

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and technology policy, to discuss the possibility of setting up a joint committee on technology and scientific problems. The ASEAN countries are vigorously stepping up production of science-intensive output. There is every indication that Southeast Asian manufacturers are attracted by the possibility of exploiting Russia's cheap intellectual potential as well as its market. [passage omitted]

Russia: Moscow To Re-Establish Oil Imports From Iraq

LD0606185196 Moscow ITAR-TASS in English 1844 GMT 6 Jun 96

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, June 16 (Itar-Tass) — Russia is going to offer to Iraq exports of drugs and other humanitarian goods and imports of Iraqi oil, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing today.

The U.N.'s Resolution 986 allows Iraq to export an annual four billion dollar worth of the oil.

Karasin said Russia had drafted a string of proposals which can launch "this politically and economically important action" soon.

He said Russian Deputy Foreign Minister Viktor Posuvalyuk and Deputy Minister for Foreign Economic Relations Vladimir Karastin are going to Iraq under an earlier agreement to discuss the export deals.

"It is a multi-mission visit conducted as part of keeping up our political dialogue with Iraq and of the work to develop Russian-Iraqi relations in the economic field," Karasin said.

He said the political part of the dialogue would focus on prospects of lifting the anti-Iraqi sanctions in the light of Iraq's compliance with the U.N.'s resolutions.

Russia is going to discuss with Iraqi leaders how the international sanctions could be softened.

The Russian ministers plan to meet Iraqi economic senior officials to arrange a second meeting of the Russian-Iraqi inter-governmental commission on economic cooperation in Baghdad.

Russia: Moscow Proposes Contact Group Lift Sanctions Against Serbia

LD0606140396 Moscow INTERFAX in English 1340 GMT 6 Jun 96

[FBIS Transcribed Text] MOSCOW, June 6 (Interfax) — Russian Foreign Minister Yevgeniy Primakov proposed at a Contact Group meeting in Berlin that the international sanctions against Serbia be lifted now, without waiting for the Bosnian elections, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing in Moscow Thursday.

Russia believes that Serb President Slobodan Milosevic's unambiguous support and promotion of the Dayton process "deserves an adequate positive reaction," Karasin said.

This position should be backed up by lifting the sanctions against Serbia, he proposed.

This step would intensify combined efforts to implement the Dayton Accords, Karasin concluded.

Russia: Turkey Signs Agreement With Turkic-Speaking Bashkortostan

LD0706103596 Moscow ITAR-TASS in English 1012 GMT 7 Jun 96

[By Raul Tukhvatullin]

[FBIS Transcribed Text] UFA, June 7 (Itar-Tass) — Turkey and Bashkiria today signed an agreement on cooperation in the field of trade and economy, science, technology and culture.

The agreement covers more than the spheres listed above. According to deputy minister of foreign relations of the Republic of Bashkortostan Rafail Latypov, the agreement provides for closer ties in the industrial and agricultural fields as well as in the spheres of construction, personnel training, tourism and some others.

Turkey has long been cooperating with Bashkiria, a Turkic-speaking republic within the Russian Federation. Turkey built major bank offices in the Russian republic, and imported petrochemical and petroleum products from Bashkortostan in exchange for exports of buses and foodstuffs.

Turkey also opened a number of educational establishments where teaching is done in the Turkish language and began publication of its newspaper Zaman.

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Political Issues

Russia: Yeltsin Returns to Moscow From Tver Region

LD0606155096 Moscow ITAR-TASS in English 1545 GMT 6 Jun 96

[FBIS Transcribed Text] MOSCOW June 6 (Itar-Tass) — Russian President Boris Yeltsin has finished his one-day trip to the Tver region, and returned to Moscow on Thursday evening.

Russia: Yeltsin Signs Edict on Failure To Carry Out Edicts

LD0606140296 Moscow ITAR-TASS World Service in Russian 1312 GMT 6 Jun 96

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Translated Text] Tver, 6 Jun (Itar-Tass) — Russian President Boris Yeltsin, who is touring Tver Region, said at a conference with the regional leadership that "at 0300 this morning" he had "signed an edict 'On Responsibility for Failing To Carry Out Presidential Edicts and Observe Laws.'" The head of state said that in accordance with a Supreme Court ruling, presidential edicts have the same status as laws and are binding throughout the Russian Federation.

"I keep hearing people say: The edict does not work, the law is not effective. But people often confine themselves to complaints," Yeltsin said. "Let us make them work and be effective. We can only do this if we act in unison from the top and from the bottom. It is better and easier for you to find out exactly who acts improperly, where exactly the stalling occurs, which provisions of edicts and resolutions and which articles of the law require readjustment, where decisions have to be made clearer, and where people should be made to carry them out."

"I am convinced that if there is no will, if no work is done, if we do nothing but complain as before, then edicts and law will never work," Yeltsin said.

Russia: Officials Dismissed Over Nonimplementation of Edicts

MM0606153996 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jun 96 p 2

[Unattributed report: "Investigating Over 30 Regions"]

[FBIS Translated Text] A substantial set of Russian presidential edicts on the development of the social sphere has been adopted recently. It emerges, however, that not all of the president's edicts and directives are being punctiliously implemented. People's constitutional rights are being violated. This is causing the head of state serious concern.

Firm measures to impose due order have ensued. A number of officials have been dismissed for failing to fulfill the president's edicts and directives and the government's decisions on the elimination of the arrears in the payment of wages, pensions, and child allowances, for various financial violations, the misuse of budget funds, and other forms of indiscipline. These officials include F. Prokopov, leader of the Federal Employment Service; G. Belyayev, chairman of the Russian Federation State Committee for Sanitary and Epidemiological Supervision; Yu. Shatyrenko, chairman of the Russian Federation Social Insurance Fund; P. Balakshin, head of Arkhangelsk Oblast Administration; V. Dyachenko, head of Amur Oblast Administration; V. Barabanov, head of Bryansk Oblast Administration; N. Podgornov, head of Vologda Oblast Administration; and Yu. Belykh, head of Saratov Oblast Administration.

The leading organ monitoring the implementation of the president's edicts and directives centrally and locally is the Main Control Administration. Our correspondent was told there that the president's Main Control Administration is beginning new investigations into a broad range of social problems in over 30 regions of the country this week.

Russia: Yeltsin Signs Law on Transferring Central Bank Profit

LD0506192796 Moscow ITAR-TASS World Service in Russian 1858 GMT 5 Jun 96

[By ITAR-TASS correspondent Lev Grunau]

[FBIS Translated Text] Moscow, 5 Jun (Itar-Tass) — Russian President Boris Yeltsin signed a law today obliging the Russian Central Bank to transfer 5 trillion rubles of its own profit to the federal budget. It is assumed that these funds will be used to support the regional budgets, in the first place to pay teachers' holiday pay and finance the defense order. The ITAR-TASS correspondent was told this today by Presidential Press Secretary Sergey Medvedev.

Russia: Yeltsin Approves Program on Gas Supplies to Central Region

LD0706080996 Moscow ITAR-TASS in English 0724 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Itar-Tass) — Russian President Boris Yeltsin signed a decree on Thursday giving a go-ahead to "the programme of the development of natural gas supplies to the Central

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Black-Earth Region of the Russian Federation from 1996-2000."

The press service of the head of state said the decree instructs the government to consider and specify in the second quarter of 1996 the sources of financing the programme in 1996, as well as to envisage the funding of the programme in the federal budgets for the period from 1997 to 2000.

Russia: Federation Council Head Meets With Chernomyrdin

LD0606201096 Moscow ITAR-TASS in English 1846 GMT 6 Jun 96

[By Igor Zhukov]

[FBIS Transcribed Text] MOSCOW, June 6 (Itar-Tass) — Yegor Stroyev, Chairman of the Federation Council of Russia called two opposing forces in Russian society for a compromise.

"It is impossible for us to split society again: Russia will not survive another confrontation. We need civic peace, and we must only go ahead on the way of democratic and other reforms," he stressed at a news conference.

Touching on the legislative activities of the Russian parliament, the chairman of the Federation Council noted that many important laws had been adopted for the last time, including for instance, the Criminal Code of Russia, passed by the upper house of parliament on Wednesday.

However, Stroyev believes, it is also necessary to adopt such very important documents as laws on the government of the Russian Federation, General Prosecutor's office and the judicial system, as well as a Federative code. Without these documents there will be no full legal basis, according to which reforms are implemented in Russia, Yegor Stroyev noted.

The chairman of the Federation Council expressed the hope that after June 16 when tension, connected with the elections of head of state, would relax, both chambers of the parliament would be able to carry out lawmaking activities more fruitfully and adopt these documents which Russia needs so badly.

Russian Prime Minister Viktor Chernomyrdin admitted the necessity of a certain correction of the course of reforms carried out in Russia "in the direction of their more social orientation," Yegor Stroyev told journalists here today.

According to the speaker of the upper hose of the Russian parliament, during his meeting with Viktor Chernomyrdin on Wednesday, they agreed that it was necessary to control the situation so that against the background of the development of entrepreneurship in Russia there would be no impoverishment of part of the population.

In this connection they noted that it was imperative to earmark more financial resources from the federal budget for the financing of social programmes — education, medicine, science and culture.

Yegor Stroyev expressed the hope that the government would be able to implement to a full extent the adopted social programmedin order to raise living standards of poor section of the population.

Russia: Moscow Deputy Mayor Survives Bomb Attack; Condition 'Grave'

LD0706065396 Moscow INTERFAX in English 0641 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — A team of investigators from the Moscow Interior Board, Prosecutor's Office and Security Service has arrived on the scene of the bombing attack on Valeriy Shantsev, a candidate for the post of Moscow deputy mayor, an officer on duty in the Moscow Interior Board told Interfax Friday.

A remotely controlled explosive device planted at the entrance of Shantsev's house at 9, Olimpiyskiy Prospekt, went off at 7:55 a.m. as Shantsev and his aide were going out into the street.

Shantsev has back injuries and is badly burned. He and his aide were rushed to the Sklifasovskiy First Aid Center. Doctors say Shantsev's condition is fairly grave, the officer said.

Another casualty of the attack was a woman resident from the house where Shantsev lives, he said.

Russia: About 1 Kilogram of TNT Used in Attack on Deputy Mayor

LD0706092796 Moscow ITAR-TASS in English 0839 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Itar-Tass) — Sources in the Interior Ministry of Russia told Itar-Tass today that the bomb blast that wounded three people and sent Prefect of Moscow's Southern district Valeriy Shantsev, his aide and a lady with a dog to the hospital must be regarded as a planned attempt on Shantsev's life.

According to preliminary data, the bomb went off as Shantsev, who is running together with Mayor of Moscow Yuriy Luzhkov in June 16 elections, was leaving his house in Olympiyskiy Prospekt at about 08.00 on Friday morning.

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The prefect and his aide were wounded and had to be hospitalised. A woman walking her dog near the entrance to the building was also hurt.

Valeriy Shantsev is 48 and due to turn 49 at the end of June. After doing his national duty in the Soviet Army, Shantsev worked at Moscow's Salyut plant for almost ten years.

He is a radio engineer by education: he graduated from the Moscow Institute of Radio Equipment, Electronics and Automation in 1975. In 1977, he began his party career in Moscow's Perovsky district and was soon promoted to a post in the Moscow city Committee of the Communist Party of the Soviet Union where he served as a secretary of the Moscow city Committee of the CPSU in 1990 and 1991.

After the collapse of the Communist Party of the Soviet Union, Shantsev became a commercial director of the Dinamo ice-hockey club.

In March 1994, Valeriy Shantsev became Prefect of Moscow's Southern Administrative district and a member of the Moscow city government.

Moscow mayor Yuriy Luzhkov on April 9, 1996, named Shantsev as candidate for vice mayor of Moscow. The two men planned to win the June 16 elections as a team.

Yuriy Luzhkov is running for a second term as Mayor of Moscow.

A team of investigators is now working on the spot, where Shantsev, his aide and a woman were wounded in the blast nine days before the Moscow mayoral elections which are scheduled to be held on the same day as the Russian presidential elections.

[Moscow Interfax in English at 0818 GMT on 7 June adds the following:

"An equivalent of about one kilogram of TNT was used in the bombing device filled with metal wire which injured and burned Valeriy Shantsev, 49, prefect of Moscow's Southern area. There are about 0.2 kilos of explosive in a hand grenade.

"The device, which went off at 7:55 a.m. Friday, also hurt Shantsev's aide and a woman passer-by who were rushed to hospital with wounds and burns.

"The police are looking for two men, one aged 20 to 25 and the other 30 to 40, who were spotted by witnesses near the scene of the crime."]

Russia: Luzhkov Claims Attack on Deputy Was 'Communist Revenge'

LD0706111696 Moscow ITAR-TASS in English 1038 GMT 7 Jun 96

[By Ruslan Maisigov]

[FBIS Transcribed Text] NAZRAN, June 7 (Itar-Tass) — Moscow mayor Yuriy Luzhkov did not rule out that the Friday assassination bid against his would-be deputy was a "communist revenge to a defector".

However, Russian Prime minister Viktor Chernomyrdin refused to link the assassination bid to election struggle. "It is hard for me to say who was behind the crime. Bandits are bandits. One should not distinguish between them", he told reporters in Moscow.

Luzhkov, however, insisted in the republic of Ingushetia where he is currently staying, that the attack on Valeriy Shantsev had "clearly a political background".

He recalled that Shantsev was secretary of the Moscow Communist Party Committee in Soviet times. Now he was backing the democratic reformist mayor of the Russian capital.

Luzhkov said he was urgently leaving for Moscow to avert a possible disruption of elections of the mayor and his deputy scheduled for June 16.

Shantsev, who is running for vice-mayor together with Luzhkov, was wounded in an assassination bid this morning when an explosive device went off while he was leaving his home for office.

Luzhkov's aide and chief administrator of the city hall Vasiliy Shakhnovskiy also said the attack on Shantsev was "of purely political character" and aimed to make Luzhkov withdraw from elections of the mayor which coincide with the presidential polls on June 16. He explained that, according to acting legislation, Luzhkov would have to withdraw had Shantsev been killed because they are running for office in tandem.

"Elections would have been held without Yuriy Luzhkov", he said.

The state of Shantsev, 49, is "satisfactory". "He is in conscience", first deputy premier of the Moscow government Viktor Korobchenko told reporters in Moscow on Friday. He said that Shantsev had survived "by mere chance" and had received multiple burns and fragmentation wounds in the back and legs. "However, there is no danger for his life. He will be transferred to a ward after an operation", Korobchenko said.

Moscow police chief Vasiliy Kuptsov agreed that it was mere luck. He said the explosive device had been made

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by an expert and that it went off on time. "He survived only by lucky chance", he said.

Russia: Human Rights Activists To Bring Law Suit Against Grachev

LD0706112996 Moscow INTERFAX in English 1104 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — Human rights activists intend to bring a suit against Russian Defense Minister Pavel Grachev for violation of the law on state secrets in connection with the Nikitin-Bellona case, Boris Altshuler, member of the Moscow Human Rights Center, told a news conference in Moscow on Friday.

Captain First Class Aleksandr Nikitin (retired) was arrested in St. Petersburg on February 6 by the Federal Security Service on charges of high treason as a spy. Nikitin is accused of writing the chapter "Catastrophes and Accidents on Nuclear Submarines" for a report by the Norwegian ecological organization titled The North Fleet Is a Potential Risk for Nuclear Pollution of the Region. Nikitin's defense lawyer Yuriy Schmidt claims that his client is innocent because all materials for the chapter were taken by Nikitin from publications in the press.

Under the law on state secrets it is forbidden to declassify ecological information, as well as facts on accidents and catastrophes which threaten human lives. Those violating this principle may be brought to criminal or administrative responsibility, said Altshuler.

The president has decreed a list of 22 points which refer to state secrets. However, the order signed by Defense Minister Pavel Grachev of October 7, 1993, is in effect in the army. It features at least 700 points of secret information, said Schmidt.

"This order violates the constitution, the law on state secrets and presidential decrees," said the activist.

Russia: Moscow Court Keeps General Accused of Embezzlement Detained

LD0606151796 Moscow INTERFAX in English 1430 GMT 6 Jun 96

[FBIS Transcribed Text] MOSCOW, June 6 (Interfax) — The Simonovsky inter-municipal court in Moscow rejected an appeal by the attorney representing Gen. Valeriy Monastyretskiy and sent the general back to the Lefortovo detention center. Monastyretskiy, chief of the Federal Government Communication Service's financial board, is charged with embezzlement of public funds.

Monastyretskiy was detained on April 16 by the Federal Security Service (FSB) with authorization of the Russian Prosecutor General's Office. The FSB investigation board is attending to his case.

Sergey Zamoshkin, Monastyretskiy's attorney, told Interfax that the Criminal Procedures Code was crudely violated in the case of his client. In particular, charges were read to him in the absence of an attorney.

Monastyretskiy does not admit his guilt and refuses to answer questions until his case is transferred to the Prosecutor General's Office, Zamoshkin said. Monastyretskiy believes that the investigators are biased. Zamoshkin added that the investigators deliberately obstruct him by withholding the evidence against his client, in particular that on which he was detained. The investigators are trying to obtain confession in the absence of solid evidence, he believes.

Zamoshkin had undertook not to reveal the state secrets that might turn up in the course of the investigation and trial.

Military Issues

Russia: Strategic Missile Forces Test-Launch ICBM

LD0606141996 Moscow ITAR-TASS World Service in Russian 1358 GMT 6 May 96

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 6 June (ITAR-TASS) — Today the Russian Strategic Missile Forces launched an inter-continental ballistic missile, and its warheads hit the targets with high precision. Colonel-General Igor Sergeyev, the Commander-in-Chief of the Russian Strategic Missile Forces, gave a high assessment of the crew's actions.

Russia: Army Paper Examines New Defense Law

MM0606152196 Moscow KRASNAYA ZVEZDA in Russian 5 Jun 96 p 1

[Commentary by Captain 1st Rank Vladimir Yermolin: "The Russian Federation Law 'On Defense' Has Been Signed by the President and Is Coming Into Force"]

[FBIS Translated Text] We are publishing the Russian Federation Law "On Defense" on pages 2-3 of today's edition. It has replaced the law of the same name adopted in September 1992. Although it preserves a number of provisions of its predecessor, it nevertheless is not a second "expanded and corrected" version of it but a new code of legal norms determining the present and future of our national defense. The past four years have in many respects changed not only the country but its Armed Forces as well. New conditions require new laws.

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It has to be said that work on the draft law did not go smoothly. Adopted by the previous Duma, it had been returned with amendments and comments by the president. The Defense Committee led by Lev Rokhlin was already working on its finalization with the active involvement of Defense Ministry specialists. Conflicts over the independent status of different departments were the main cause for its delay. Some became frightened that the Defense Ministry would attack their "autonomy." But there were already more than 10 departments which by then had their own armed formations. There were quite a few armed bodies in the country, but if something were to have happened only the Army, Navy, and border forces would have been able to defend the Fatherland in a professional manner. It is hard to describe such a situation as normal. In the end, a common language was found with the help of a conciliation committee. The law was adopted by the State Duma 24 April, supported by the Federation Council 15 May, and a corresponding edict was signed by Russian Federation President Boris Yeltsin 31 May.

First of all what new elements can be singled out in it? To a certain degree, the Defense Ministry's and General Staff's coordinating role is restored in a number of very important matters relating to the organizational development and functioning of the Armed Forces and other Russian Federation troops. Specifically in the area of defense. All troop units, irrespective of which department they belong to, must be committed to armed defense under a single leadership. Also peacetime training must be carried out in accordance with Armed Forces General Staff plans and be under its control.

The law sets out not only the military service obligation of citizens but also the "military-transport obligations of federal organs of power, organs of local self-government, and organizations, irrespective of their type of ownership, and also owners of means of transport."

It is also necessary to focus attention on a new provision of Article 1: "The Russian Federation Armed Forces, other troops, military formations, and organs perform missions in the defense sphere in line with the Plan for the Utilization of the Russian Federation Armed Forces." It is, of course, essential that these tasks be carried out in peacetime, in accordance with the well-known slogan "Remember the war!" I must once more underline that the law obligates not only the Army and Navy to do this. In such a matter as defense, it is useful for the various departments to develop a spirit of comradeship long before trouble breaks out. However, it is doubtless appropriate to emphasize that any sense of militarism is absolutely alien to the present law, no matter what aggressive urges might be whipped up. Its authors are only trying to foresee absolutely all possible ways of strengthening the country's defense capacity. Future events will show to what degree they have succeeded in this.

Realities have compelled them to include in the article "Organization of Defense" the following component: "the funding of defense spending and also the monitoring of the expenditure of funds allocated for defense." In which case, it is now possible to officially characterize Duma decisions on the military budget (the confirmation of clearly beggarly sums) or Finance Ministry practice (of doling out money to the Armed Forces in small amounts) as a "disruption of defense."

Article 4, "Powers of the Russian Federation President in the Defense Sphere" has a new sound to it. In particular, the president makes the decision to call on the Russian Federation Armed Forces, other troops, and troop units "to perform missions, using weapons, other than those for which they are intended" in accordance with federal laws. But the very next article says that presidential edicts on the imposition of martial law or a state of emergency on the territory of the Russian Federation and on calling on the Army to carry out tasks other than those for which it iz intended, are approved by the Federation Council. The State Duma's powers seem more modest than before. Only the defense budget and the adoption of laws concerning defense still remain in its remit. Which, we must agree, is by no means insignificant if you take into consideration the fact that both the Armed Forces' financial and legal status leave much to be desired.

The present law contains an article that has a particular ring in the current political circumstances. It confirms that political activities are restricted in the Armed Forces. In particular, one of its provisions absolutely forbids "any political propaganda and agitation, including election campaigning," in the Armed Forces.

Like the previous law, the present one envisages liability for breaking the law in the area of defense. Here we can but wish that this provision will finally work, in contrast to the previous one. Unfortunately, there are more than enough candidates for consideration under this article.

In general, like with any new law, this law, which is of great significance not only to the military but to the whole of this country, deserves a "fair wind." Specialists and most likely practice itself will find its shortcomings. Where would we be without this? But all in all it provides an opportunity to strengthen the country's basic defense structures and to raise the state's security to a qualitatively new level.

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Russia: Duma Defense Aide Hails New Law on Defense

MM0606150296 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jun 96 p 6

[Commentary by General Lev Rokhlin, chairman of the State Duma Defense Committee: "Russia's Security. What Could Be More Important?"]

[FBIS Translated Text] The federal law "On Defense" is one of the fundamental documents of the so-called package of military laws. It is a logical continuation and development of previously adopted laws and takes account of the changes that have taken place in the structure of state administration in recent years, and also the real contemporary conditions under which tasks to ensure the country's reliable security have to be carried out.]

Just how seriously and thoroughly the document was elaborated is attested by the fact that the draft law was twice examined in the State Duma and the Federation Council, took on board the proposals of the president, went through the conciliation commission, and only then was passed.

The new law is more specific, and several of its provisions are of fundamental importance. For example, it provides for the direct involvement in defense preparation and the performance of defense tasks of, in addition to the Armed Forces, all other troops and military formations under the federal executive organs, and also organs that possess combat capabilities of significance to defense, and special formations set up in wartime.

The law defines the powers in the defense sphere of the Russian Federation president as the supreme commander in chief who exercises leadership of the Armed Forces; of the Federal Assembly; and of the government, and also the functions of the executive organs of the federation components and local self-government, the duties of officials, and the rights and duties of citizens. Moreover, the functions of the Russian Federation Ministry of Defense and the Armed Forces General Staff have been significantly expanded.

A timely provision is the law's requirement proscribing and making prosecutable by law the existence of any formations having a military organization, weapons, or military equipment or in which the performance of military service is stipulated, if the statute of such formations is not regulated by the federal law. The possible consequences for the country and its citizens of legislative uncertainty on this issue hardly need to be explained. The tragic events in Chechnya provide an entirely cogent answer.

The law establishes that the Russian Federation Armed Forces exist for purposes of defense and for the armed protection of the country and the integrity and inviolability of its territory. At the same time, the organization of defense also envisages international cooperation for purposes of collective security. In certain situations the Armed Forces can be used to perform tasks unconnected with their designated purpose. The law establishes the procedure for their use in such cases, under which powers and responsibility rest with the president and the Federation Council.

The list of troops, military formations, and organs indicated in the law is virtually exhaustive. However, in practice there currently exist a number of structures set up at one time or another to perform various tasks — for example, construction detachments under civilian ministries and departments. The new law fixes the deadline for reducing the country's military establishment to a single denominator — 1 January 2000, when all troops and military formations whose statutes are not regulated by federal laws must be either included in the Armed Forces or disbanded.

On the whole the new Law "On Defense" is of a reformist nature. Its provisions establish the centralized elaboration of decisions on the development of the power structures for defense purposes, and also the administration of their training for the defense of the Fatherland. They provide an opportunity for the Federal Assembly to influence the structure of Russia's military organization, which is an important condition for the country's democratic development.

Russia: Commander: Navy Remains Combat-Ready Despite Finances

LD0606130596 Moscow ITAR-TASS in English 1211 GMT 6 Jun 96

[By Leonid Vinogradov]

[FBIS Transcribed Text] VLADIVOSTOK, June 6 (Itar-Tass) — The Russian Navy is a strong enough deterrent in various areas. Despite financial difficulties it remains combat-ready. Ships are put to sea. Interception of missiles imitating strikes at ships are conducted, and marine landings are made. Felix Gromov, the Supreme Commander of the Russian Navy, said this at a news conference in Vladivostok on Thursday, summing up the results of the winter period of training on all the fleets of the Russian Federation.

He said unique launchings of cruise missiles from two submarines of the Pacific fleet had been made. "This indicates that Russian navymen mustered the latest systems of armaments of submarine fleets," Gromov said.

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Gromov announced that creation of four large ships for the Russian Navy was being completed.

Each of the constructed ships, is capable to replace two or three anti-submarine vessels.

Regarding the utilisation of liquid radioactive wastes from the operation of nuclear-powered submarines, Gromov said Russia has contemporary technologies for these wastes to be reprocessed which are already used in the Maritime territory, in Kamchatka and at the Northern Fleet. In this connection he said that the offer of foreign aid is just idle talk.

Gromov said that a first train-load of liquid radioactive wastes will take off on June 15 from the Pacific coast. The waste will be processed at a specialised enterprise in Chelyabinsk.

Federal Assembly

Russia: Federation Council Faces Heavy Preelection Work Load

MK0606133396 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jun 96 p 1

[Report by Konstantin Katanyan: "The Land Code Has Been Accepted for Consideration. The Law on the Inauguration of the President Elect Has Been Approved by the Upper House"]

[FBIS Translated Text] The nearly 30 items on the agenda of the seventh session of the Federation Council forced the senators to work in a very intensively so as to complete everything in one day and go back to their duties in the regions. The regions are now at the height of the election campaign, and therefore the governors and chairmen of the legislatures of the Russian Federation components are up to their eyeballs in work.

Even so, yesterday, as they examined the credentials of their new colleagues, Federation Council members found the time to listen to a statement concerning the situation in the Tula Oblast Duma, which still cannot start working because a large group of deputies has resigned. Oblast Governor Nikolay Sevryugin was very annoyed with the press, including NEZAVISIMAYA GAZETA, which exaggerated the problem and, furthermore, which alleged that he, Sevryugin, had misled the president about the Duma's being unable to work. Yet the phrase about the Duma's inability was not born in the journalists' heads, but was taken from the text of a Federation Council resolution that was adopted by a majority of votes at its previous session.

NEZAVISIMAYA GAZETA publications were brought up again when the upper house examined the credentials of Valiulla Maksutov, chairman of the Sakhalin Oblast Duma. As is known, the illegality of his dismissal was confirmed by the Russian Federation Supreme Court, and when the senators refused to accept Maksutov as one of their own, merely on grounds that the oblast Duma intends to reconsider the question of his dismissal, our paper assessed the fact as contempt of the Supreme Court.

All the legal experts, and many other members of the house, admitted to the fairness of our criticism and offered to fix the mistake so as to restore the good name of the Federation Council. However this time again the house was swayed by a political rather than a legal approach: Maksutov's candidacy again failed get the requisite number of votes.

After that the upper house began a discussion of federal laws adopted earlier by the State Duma. Most of the documents that did not contain fundamental propositions, but which merely clarified already existing legal enactments, were approved unanimously or by an overwhelming majority of votes. The laws that contained moot provisions were not, for the most part, rejected, but were accepted for consideration; that is to say, the senators will return to them at their next session. This, in particular, refers to the law "On Precious Metals and Gem Stones" that is very necessary to the country, but which needs some final touches.

After the lunch break came the turn of more important documents. These include the Russian Federation Land Code, the new Criminal Law Code, and the federal law "On the Inauguration of the Newly Elected President of the Russian Federation."

As concerns the Land Code, it was simply accepted for consideration so as not to agitate the public ahead of the presidential elections in the Russian Federation. Whether to approve or to reject this controversial document — the house will decide after 16 June.

The Criminal Law Code was adopted immediately, while the president inauguration law was approved after a short debate with 19 votes against.

Russia: Duma To Approve 3.7 Trillion Rubles for Chechen Rebuild

LD0606184196 Moscow INTERFAX in English 1804 GMT 6 Jun 96

[FBIS Transcribed Text] MOSCOW, June 6 (Interfax) — The Russian State Duma will agree to approve only 3.7 of the 17 trillion rubles allotted by the government for Chechnya reconstruction in 1996, Duma Chairman Gennadiy Seleznev said at a meeting with professors of the Moscow State University Thursday.

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According to him, the Finance Ministry has only two programs, of wage payment and of social payments. "None of the investment programs is financed," he said.

Seleznev said Russia is still a long way from economic stabilization. He believes the president and the prime minister must explain the situation in the country to the people as it really is.

He criticized the work of the government, with which he said the Duma has many differences.

Seleznev spoke in favor of a return to the system of government contracts, for which it is necessary to pass special laws. According to him, such a system exists "in all the countries of the world." Russian commercial banks are fighting each other for the right to finance government contracts, he said.

He predicted that Defense Minister Pavel Grachev will soon retire. "The State Duma has been asking the president to sack him for three years," said Seleznev.

Russia: State Duma Ratifies International Treaties, Agreements

LD0706082596 Moscow INTERFAX in English 0739 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — The Russian State Duma ratified a number of international treaties and agreements Friday, including the Russian-Kazakh treaty on economic cooperation and deeper integration.

The treaty provides for a common economic space of the two countries.

The law makers also ratified the agreement to form an Interstate Economic Committee of the Economic Union. The committee will supervise interbranch integration. Part of the spending on the committee will be by Russia, which will have 50 percent of votes in discussion of strategic aspects of the committee work.

The deputies ratified the Russian-Danish agreement and the Russian-Slovak agreement on mutual protection and encouragement of investments.

They ratified the agreement to form a Black Sea Bank for Trade and Development. This document will play a key role in further development of the Black Sea economic union.

Russia: Upper House Adopts Presidential Inauguration Law

MK0706100396 Moscow KOMMERSANT-DAILY in Russian 6 Jun 96 p 3

[Report by Veronika Kutsyllo: "The New President Will Be Ensured Against the Old One"]

[FBIS Translated Text] Federation Council members have after all fulfilled the intention — apparently buried at the previous house session — to appeal to the voters and presidential candidates of Russia. Yesterday the Federation Council announced that any attempts to hinder the expression of people's will on 16 are impermissible and that the will of the people "must be unconditionally recognized by the rival sides, regardless of who wins the election." This statement was accompanied by a comical exchange during the discussion of the law "On the Inauguration of the President Elect in the Russian Federation."

Federation Council members were not concerned with either the provisions of the law that bear on the termination or suspension of the newly elected president's membership in political parties or those establishing social security guarantees for the former president (lifetime pension at 50 times the minimum pension, personal protection, personal car, state dacha, and so forth) or the procedure for the transfer of state secrets and the "nuclear button." The Federation Council members were worried by "provocative" Article 9, Paragraph 1 of which stipulates that the new president is inaugurated in the official residence, at the Moscow Kremlin, while Paragraph 2 says that should this be impossible, the inauguration venue is determined by the president elect in coordination with the Federation Council speaker.

Presumably seeing an element of mistrust in the incumbent president in Article 9, Leonid Roketskiy, head of the Tyumen Oblast administration, queried: "What about this innuendo?! What is this other place?!" Incidentally, there were in effect several more such "moot" articles: "For instance, Paragraph 3 of Article 1 rules that "the imposition of martial law or a state of emergency before the swearing-in of the president elect may not serve as grounds for canceling or changing the date of the inauguration of the president elect," while Paragraph 4 of Article 4 notes that the nonparticipation or refusal by the outgoing president to interact with the newly elected president in the transfer of power may not serve as grounds for deeming such transfer illegal.

Even so, the Federation Council members targeted only Article 9. According to Roketskiy it sows the seeds of political instability after the election. Roketskiy was not convinced by an explanation from one of

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the advocates of the article (indeed quite amusing): Apparently it was written against the eventuality that so many people would show up for the inauguration ceremony — members of the Federation Council, the State Duma, the Government, and so forth — that the whole beau monde will not be able to fit into the Kremlin hall. Yegor Larionov, deputy chairman of the Federation Council Legislation Committee, who presented the law, cautiously cited the various swearing-in procedures in other countries of the world but was cut short by Tatarstan President Mintimer Shaymiyev, who interceded on Yeltsin's behalf. According to him it might be stipulated that the oath of allegiance is taken indoors or out of doors, with guests being invited or without such, but this must be in one place: "Without any exceptions like 'if not here, then there.'"

Strangely enough, the discussion was terminated by CPRF [Communist Party of the Russian Federation] member Mikhail Mashkovets, who demonstrated the article's importance as follows: "Imagine that in 1996, say, Zyuganov is elected and in the year 2000, Roketskiy, and the Communists, as the NE DAY BOG! newspaper writes, lock themselves up in the Kremlin. Then Roketskiy will be able to swear allegiance in Tyumen." Overwhelmed by the rock-hard Communist logic, the Federation Council members approved the law by 98 votes. All that remains now is to see whether this logic will also appeal to Boris Yeltsin, who, as is known, does not intend to lose the election. True, should Yeltsin win, the law approved yesterday will not be especially relevant.

Russia: Duma Approves New Criminal Code

LD0506155596 Moscow INTERFAX in English 1507 GMT 5 Jun 96

[FBIS Transcribed Text] MOSCOW, June 5 (Interfax) — The Federation Council (upper house) of the Russian Parliament has approved a new criminal code of the Russian Federation, which includes provisions for unprecedented life prison sentences.

The commentary on the criminal code handed out to the members of the upper house says that this document aljusts Russia's crime legislation to universally recognized rules and constitutional principles.

Amendments were made to the section on punishment. Public criticism was removed from the list of punishments and new punishments established: compulsory works, military service restrictions, arrest and, for the first time in Russia, life imprisonment.

The code is complemented with chapters on the responsibility for crimes against the constitutional rights and freedoms of the person and citizen.

Particular attention is paid to responsibility for economic crimes and crimes against property, the interests of the civil service and service in non-governmental enterprises.

The new criminal code establishes a range of prison terms — from six months to twenty years (before they ranged three months to fifteen years).

As compared with the previous criminal code, the categories calling for capital punishment were reduced (from 28 cases to five). The chairman of the Constitutional Legislation and Judicial and Legal Affairs Committee of the Federation Council, Vladimir Platonov, told the upper house that the complicated crime situation forced the retention of capital punishment in effect as an exceptional measure in case of particularly serious crimes against human life. He said that provision agreed with the Russian Constitution. The new criminal code will take effect on January 1 1997.

Russia: Duma Vote on LDPR Return-Russian-Lands Proposal Derided

MK0706104996 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 6 Jun 96 p 2

[Article by Vladimir Petrov: "Duma's Provocation Against Ukraine and Kazakhstan"]

[FBIS Translated Text] "Vladimir the Red Sun" [name given to Grand Duke Vladimir who brought Christianity to Russia, applied in this case to Zhirinovskiy] once again has made happy his admirers by yet another fit of madness. The LDPR [Liberal Democratic Party of Russia] leader has moved that the State Duma approach the governments and parliaments of Ukraine and Kazakhstan with a demand to hold referendums there on "restoring" to Russia "lands that belonged to it from times immemorial:" the entire region of eastern Ukraine, including Crimea, and oblasts in Kazakhstan's north. Mr. Zhirinovskiy did not specify the scale on which the expression of the neighbors' will should be arranged: on the entire territory of Ukraine and Kazakhstan or only in those localities which it is desirable to snatch from them.

The LDPR leader's initiative, which Kiev and Almaty will undoubtedly assess as provocation, appeared quite sensible to 190 deputies, or half the State Duma deputies present in the chamber! Such is the body which writes laws for us. Twelve deputies abstained, while more than 150 "people's choices" ducked the voting.

As little as... seven deputies voted against the irresponsible attempts to explode Russia's good-neighbor relations with Ukraine and Kazakhstan. "Why draw a line

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at Ukrainian and Kazakhstani regions? Let us try a referendum on restoring Alaska to Russia!" derided Sergey Yushenkov, coordinator of the Russia's Choice group.

Regional Affairs

Russia: Federal Negotiators Offer Chechnya Pullout by End of Aug

LD0606170496 Moscow Interfax in English 1652 GMT 6 Jun 96

[FBIS Transcribed Text] NAZRAN, June 6 (Interfax) — The federal negotiators in the talks with leaders of the Chechen rebels in Nazran, the capital of the Russian internal republic of Ingushetia bordering on Chechnya, offered the pull out of Russian federal troops from Chechnya before the end of next August.

The talks between the two delegations were still underway at 7:30 p.m.

The draft protocol the federal negotiators offered also proposes that federal troops start lifting the blockade of Chechen villages on June 9.

Under another proposal, Russian Gen. Vyacheslav Tikhomirov and Chechen separatist chief of staff Aslan Maskhadov would agree on the schedule of redeployment and staged withdrawal of federal forces from the Chechen republic and on the demilitarization of the republic.

The draft also calls for defining areas of responsibility and appointing officials to supervise compliance with a ceasefire agreement. The draft also includes items on free elections of the Russian president in Chechnya.

Under the draft, the two sides will call for holding local elections in Chechnya once the peace process is complete and build their relations through treaties and agreements.

The Chechen separatist negotiators want the federal side to agree to a deadline for lifting the blockade of villages, for instance June 15 or 30. Maskhadov strongly objects to direct contacts between commanders of federal units and Chechen separatist field commanders in every village, an Interfax reporter on the scene reports.

The rebel negotiators said that Russian presidential elections will not be held outside areas where federal troops are stationed and certain parts of Groznyy, otherwise the situation will deteriorate sharply.

They also insist on the formulation: "Russian Federation citizens will be able to vote in the elections of the Russian Federation's president." The federal negotiators believe that this implies holding the elections in Chechnya as in a foreign country.

Russia: Mikhaylov Calls Demand for Chechnya Pullout 'Unacceptable'

MM0706084596 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 96 p 3

[Article by Anatoliy Stasovskiy: "Obstacles to Peace Initiatives. Chechen Separatists Link Cessation of Hostilities With Federal Troop Withdrawal During Nazran Negotiations"]

[FBIS Translated Text] Few people thought that the talks in Nazran between delegations from the federal authorities and the Chechen separatists would go smoothly from the outset. Nonetheless it was hoped that it would be possible to make gradual progress with the accords reached 27 May in the Kremlin. Today both sides involved in the dialogue are saying that, if the talks are not deadlocked, they are very close to it.

But this was to be expected. During every peace contact between the federal authorities and the separatists representatives of the armed Chechen opposition have laid down the withdrawal of all federal troops from Chechen territory as one of the main conditions for the successful continuation of the talks.

On 5 June in Nazran the Chechen delegation published its draft agreement, which is supposed to bring about the peaceful settlement of the crisis. It envisages lifting the blockade on all population centers on Chechen territory and the elimination of all federal checkpoints by 7 June (?!) this year and sets a date for the Russian troop withdrawal from the Chechen Republic prior to 15 June 1996. All this is said to be the extent of the compromise to which the Chechen delegation can agree. No more and no less.

Quite understandably, Vyacheslav Mikhaylov, head of the federal center's delegation and minister for nationalities affairs and federal relations, described the talks after this as extremely difficult. According to him, the Chechen separatists' condition regarding the federal troops' total withdrawal from Chechnya is unacceptable to the federal side.

The only point on which agreement has so far been reached regards the exchange of people held against their will. A protocol was signed 5 June on the exchange procedure. Under this protocol the sides will submit lists of people being held against their will by 9 June, and the exchange will be carried out within two weeks.

The difficulty of these talks is also indicated by the fact that some field commanders of illegal armed formations, Shamil Basayev, for instance, have already refused to suspend combat operations against the federal

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forces. Journalists were told this in the Russian Federation president's Situations Room [Situatsionnyy tsentr prezidenta] by Lieutenant General Andrey Ivanov, a spokesman for the Russian Armed Forces General Staff. According to him, Basayev's squad of 300-400 gunmen is considered the most mobile and combat-capable.

According to Lt. Gen. Ivanov, the gunmen often return to their places of residence, where they try to reinforce their influence on the pretext of returning to civilian life. According to current information, a considerable number of gunmen, including mercenaries, are now concentrated in the foothills of Urus-Martanovskiy Rayon. They are armed with a tank, two infantry fighting vehicles, five guns, mortars, antiaircraft rocket launchers, and portable antiaircraft missile systems.

Lt. Gen. Ivanov noted that the illegal armed formations' ranks were swelled a few days ago by another detachment codenamed "Retribution." It is made up of Chechen gunmen stationed on Ingush territory.

In response to an ITAR-TASS question, the general stressed that there are operational difficulties involved in the federal organs' attempt to monitor the movements of the gunmen, who are occasionally in Ingushetia for medical treatment. It is hard for law-enforcement agencies to check out over a short period of time the details of the gunmen's presence in Ingush villages and their links with the local population.

The talks in Nazran are taking place amid the gunmen's military preparations. Incessant separatist attacks on federal troop positions and bases regrettably provide another even less reassuring backdrop to the talks. Thus, according to the Russian Federation Defense Ministry Information Directorate, the situation in the Chechen Republic has remained tense over the past 24 hours. Federal troop positions are still being shelled and roads, bridges, and other important installations mined. At 0930 hours 5 June two antitank mines were detected and defused on the Gudermes-Dhalaka railroad run. At 1200 hours an engineering support group defused 21 artillery shells near the Rodina Sovkhoz. At 1900 hours an assault subunit's positions came under mortar fire near Shali. One serviceman was wounded. The enemy weapon emplacement was neutralized. There were six bombardments in a day, three of them in Groznyy.

According to Lieutenant Colonel Vasiliy Panchenkov, our stringer and a staffer at the Russian Federation Ministry of Internal Affairs Internal Troops Press Office, an outpost was fired on from a passing vehicle at 2130 hours 5 June near the population center of Ishcherskaya and a federal policeman was injured. Alert-status weapons were fired in retaliation.

Russia: Nazran Talks End With 'No Results'; To Resume 9 Jun

LD0606165996 Moscow INTERFAX in English 1636 GMT 6 Jun 96

[FBIS Transcribed Text] NAZRAN, June 6 (Interfax) — Talks between the Russian federal delegation and Chechen separatists in the Ingush capital of Nazran have brought no results and ended Thursday [6 June] evening.

The sides decided to resume the talks at 2:00 p.m. on June 9 in Nazran.

The head of the federal delegation, Nationalities Minister Vyacheslav Mikhaylov, said the sides did not sign protocols on ceasefire in Chechnya or on the release of prisoners.

Russia: Moscow Blames Chechen Rebels for Deadlocked Peace Talks

LD0606125896 Moscow INTERFAX in English 1243 GMT 6 Jun 96

[FBIS Transcribed Text] NAZRAN, June 6 (Interfax) — Following four hours of consultations Thursday in Nazran, the capital of the Russian internal republic of Ingushetia bordering on Chechnya, federal and Chechen separatist negotiators failed to agree on a final document on implementation of the ceasefire agreement in Chechnya.

The two negotiating teams again resumed talks at 3:30 p.m. Thursday. They said they will exchange proposals on the ceasefire mechanism.

Russian Nationalities Minister Vyacheslav Mikhaylov told Interfax that the separatist negotiators were non-constructive and non-realistic.

They effectively went back on the document signed by Russian Prime Minister Viktor Chernomyrdin and Chechen separatist leader Zelimkhan Yandarbiyev in the Kremlin on May 27 under which hostilities were to stop on June 1, he said.

A federal negotiator told Interfax that his delegation offered staged withdrawal of federal troops from Chechnya and simultaneous disarmament of illegal militias in Chechnya, but the separatists would not agree to negotiate the disarmament before the troops are withdrawn.

Aslan Maskhadov, separatist chief of staff, is especially intransigent on this issue, the negotiator said.

The OSCE's Tim Guldimann said during the talks that international law is unaware of a country named the Chechen Republic-Ichkeria and that the Russian line on the Chechen issue is consistent with international practice.

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The separatist negotiators refused to sign a protocol on the release of captives that had been agreed Wednesday. They said they will sign it either following the signing of a ceasefire protocol or if the document mentions the Chechen Republic-Ichkeria, and no comment to the effect that Moscow does not recognize this name.

The talks are very likely to fail, a Russian negotiator said.

Russia: Chernomyrdin Views Negotiations With Chechen Separatists

LD0706105496 Moscow INTERFAX in English 1028 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — Implementation of the accord reached in the Kremlin on May 27 is at the top of the agenda in talks with leaders of illegal Chechen militias, Russian Prime Minister Viktor Chernomyrdin told journalists in Mytishchi, Moscow region, Friday.

The Kremlin talks between the federal authorities and a delegation of Chechen separatists culminated in the signing of an agreement under which the hostilities had to end at midnight May 31. The two sides also agreed to exchange all their prisoners. The agreement was signed by Chernomyrdin and Chechen separatist leader Zelimkhan Yandarbiyev.

Chernomyrdin said that one should not jump to conclusions about the outcome of the first round of talks on Chechen settlement that ended Thursday in Nazran, the capital of the Russian internal republic of Ingushetia. He said that the talks were difficult but this was to be expected.

Asked what kind of pressure could be brought to bear on the separatists, Chernomyrdin said: "Every kind, but first one should try persuasion."

Chernomyrdin said that Valeriy Shantsev, a candidate for Moscow deputy mayor who was badly injured in an assassination attempt, "will live."

Russia: Mikhaylov Says Chechen Separatists Reneged on Accords

LD0706085896 Moscow ITAR-TASS World Service in Russian 0600 GMT 7 Jun 96

[FBIS Translated Text] Moscow, 7 Jun (ITAR-TASS) — The talks in Nazran between representatives of the federal center and the Chechen separatists will continue on 9 June. Their first stage, held in Nazran from 4 to 6 June, ended without a result. The sides have failed to sign a protocol on the ceasefire, an agreement on the exchange of prisoners, and a final document. The federal delegation, led by Vyacheslav Mikhaylov, minister for nationalities and federal relations, believes that the separatists have virtually gone back on the document, which Russian Prime Minister Viktor Chernomyrdin and Zelimkhan Yandarbiyev, the leader of "Ichkeria," signed in Moscow on 27 May.

The document provided for a stage by stage withdrawal of troops and a simultaneous disarmament of illegal armed formations in Chechnya. The participants said the talks had taken in a difficult and tense situation.

Lieutenant General Andrey Ivanov, representative of the General Staff of Russia's Armed Forces, told correspondents in Moscow yesterday that the Chechen militants seek to restore their fighting efficiency by using the truce. He said that the militants' command is taking measures to reinforce their old detachments and to form new detachments by recruiting young people. The general claimed that southern districts of Chechnya remain the basic territories for the reinforcement and forming reserves. As a rule, militants use former military training bases and structures of the former voluntary army and navy support organization DOSAAF [All-Union Voluntary Society for Assistance to the Air Force of the USSR].

It is not accidental that the greatest number of "irreconcilable militants" is in the south of the republic — up to 400, including about 100 mercenaries — Andrey Ivanov said. According to him, the total number of men in armed formations in Chechnya does not exceed 3,500 people and the number of mercenaries is estimated at 230. They are armed with three tanks, six armored vehicles, a dozen guns and mortars, and a dozen anti-aircraft guns.

Russia: Chechen Commander Comments on Nazran Talks

LD0606172396 Moscow INTERFAX in English 1704 GMT 6 Jun 96

[FBIS Transcribed Text] NAZRAN, June 6 (Interfax) — Talks between the Russian federal delegation and Chechen separatists in the Ingush capital of Nazran have brought no results and ended Thursday evening.

The sides decided to resume the talks at 2:00 p.m. [1000 GMT] on June 9 in Nazran.

The head of the federal delegation, Nationalities Minister Vyacheslav Mikhaylov, said the sides did not sign protocols on ceasefire in Chechnya or on the release of prisoners.

At the same time he said some of the provisions of the latter protocol are already working. In particular, the sides decided to free 27 Russian servicemen and about

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20 rebels on June 9. "Agreement was also reached on some aspects of the ceasefire," said Mikhaylov.

According to him, the talks have convinced their participants to implement the May 27 agreements between Russian President Boris Yeltsin and Chechen separatist leader Zelimkhan Yandarbiyev on an end to all combat activities in Chechnya.

Chechen chief rebel commander Aslan Maskhadov told journalists after the talks that if final agreements on all these issues are reached, all field commanders will fulfil them because all rebel units "are controlled by the Ichkerian president and the command." Ichkeria is the rebel name for the Chechen republic.

Russia: Rebel Delegation Insists on Cancellation of Elections

LD0606172896 Moscow ITAR-TASS in English 1714 GMT 6 Jun 96

[By Ruslan Maysigov]

[FBIS Transcribed Text] NAZRAN, June 6 (Itar-Tass) — The Chechen separatist delegation, in talks with the federal centre in Nazran today, has voiced a readiness to accept the centre-proposed solution to a key military issue.

One of participants in the talks told Itar-Tass today that the proposal was that rebel groups lay down their arms simultaneously with the withdrawal of federal troops from Chechnya, on terms that an accord on this is drawn up and the Organisation for Security and Co-operation in Europe guarantees overseeing it.

Until Thursday's round of talks, separatists have been insisting on the immediate troops withdrawal, promising to start disarmament after that and to proclaim Chechnya "a demilitarized zone."

However, the same source said differences over other issues are persisting. For instance, he cited commander of federal troops in Chechnya Lieutenant General Vyacheslav Tikhomirov as believing that separatists' demand to remove all check-points was unacceptable, as this could open way to new provocations from adversaries of the peace process.

The separatist delegation also insists that the June 16 election of Chechnya's parliament, currently being prepared by the Moscow-backed government led by Doku Zavgayev, must be canceled. Moscow refused to discuss this issue considering it to be Chechnya's internal affair.

Moreover, it turned out that Wedneday's reports about the alleged signing of an agreement on the exchange of prisoners was somewhat premature. According to the source, separatists said it could be signed only atfer an accord is reached on the package of military issues.

Russia: Chechen Officials Comment on Delimitation of Powers Treaty

LD0606184396 Moscow ITAR-TASS in English 1729 GMT 6 Jun 96

[By Olga Peremolotova]

[FBIS Transcribed Text] GROZNYY, June 6 (Itar-Tass) — A draft treaty on the delimitation of jurisdiction and authorities between bodies of state power of the Russian Federation and Chechnya on the whole meets the interests of the Chechen Republic, Chairman of the Supreme Soviet of Chechnya Amin Osmayev told Vainakhpress today.

According to him, "the draft treaty is a logical continuation of our joint efforts for peace, accord and close cooperation." He expressed confidence that the signing of the treaty would improve relations between Moscow and the Chechen Republic as a subject of the federation.

Nuriy Bashirov, head of the department of the government of the Chechen Republic, believes that the signing of the treaty will become a big positive step in relations between the federal centre and Chechnya.

The document gives wide powers to the republic. "We will be able to dispose of our bowels of the earth, budget and property, and this is a guarantee of prosperity and the development of the economy," he stressed.

Fatima Poloyeva, leading expert of the department of culture and education, appraises the draft treaty as the most important document.

In her view, the draft treaty determines the status of the republic, widens its powers, and its signing will be a major political success. "I would like to believe that after the treaty comes into force, peace and stabilisation will be established in Chechnya," she emphasised.

Russia: New Chechen Military Commissar Interviewed

MM0606140096 Moscow KRASNAYA ZVEZDA in Russian 6 Jun 96 p 3

[Interview with Captain 1st Rank I.Kh. Deniyev, newly appointed military commissar of the Chechen Republic, by Anatoliy Borovkov and Nikolay Astashkin in Rostov-na-Donu; date not given: "I Am Coming Back To Help People. Our Correspondents Talk With Chechen Republic's New Military Commissar"]

[FBIS Translated Text] Captain 1st Rank Ibragim Khambiyevich Deniyev is a career officer and submariner. In June 1991 he was appointed military

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commissar of the Chechen-Ingush Republic. But when the Dudayev regime switched to fierce opposition to the federal authorities, Deniyev was forced to leave Chechnya. A few days ago Ibragim Khambiyevich was reappointed military commissar of the Chechen Republic.

...It was pure luck that we happened to meet with Deniyev in Rostov-na-Donu just before his departure for Groznyy. Our conversation began with a natural question: What are his thoughts and feelings on returning home?

[Deniyev] To be realistic, the situation in the republic at the moment is very grave. I would even describe it as contradictory. Despite the Moscow accords, bloodshed is continuing in Chechnya. Nevertheless, I am going not going there to fight. I am going with the sole thought of helping my people to gain true renaissance, exclusively as part of the Russian Federation.

[KRASNAYA ZVEZDA] Ibragim Khambiyevich, how do you plan to carry out this work in practice?

[Deniyev] You know, my heart bleeds when I look at our Chechen boys. For five years now they have not been attending school, have not held textbooks in their hands.... This is terrible. We must engage in the psychological and social rehabilitation of the rising generation of men. We must shoulder this work. If we relax it just a little or neglect it, all the young boys will join the bandit formations and criminal structures and eventually end up in jail. Furthermore, we must restore the system of predraft and draft training of young men, which has been totally wrecked. This means creating military commissariats, choosing their staff, and establishing commandants' companies....

[KRASNAYA ZVEZDA] We know that now it is much easier and safer for us to ask you questions than for you to answer them. Nevertheless, in your view, will peace be established in Chechnya and are we going to look one another in the eye quite calmly and realize that we live in the same country and are on the same side?

[Deniyev] I am not a prophet, I am a practical officer. I am not going to rely on anyone, I am going to help people appreciate the situation. And only then seek to win their support. That is what I am bringing back to Chechnya. I believe in people of intelligence, goodness, and intellect. I believe in a good future for my native Chechnya.

Russia: ICBM Missile Hits Targets in Kamchatka

LD0606152996 Moscow ITAR-TASS World Service in Russian 1427 GMT 6 Jun 96

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 6 Jun (Itar-Tass) — Russia's strategic missile troops today launched an RS-18 intercontinental ballistic missile from the vicinity of the Baykonur space center in Kazakhstan. The ITAR-TASS correspondent was informed by the Russian strategic missile troops' press center that the ICBM reached targets in Kamchatka and its warheads hit them with high precision.

The missile was launched at 1450 [Moscow time; 1150 GMT] by a combat crew of the experimental directorate of Russia's strategic missile troops.

The purpose of the launch — to confirm the safe storage and performance characteristics of this class of ICBM with a view to extending its operational life — was successfully fulfilled. Rating the crew's actions as excellent, Col-Gen Igor Sergeyev, commander in chief of Russia's strategic missile troops, expressed his gratitude to all personnel involved in preparing the launch.

Col-Gen Viktor Yesin, the chief of the main staff of Russia's strategic missile troops, noted that during the four years of the Russian strategic missile troops' existence, the missile men had already carried out 25 combat training launches. He said that all of the test launches had been faultless, which is convincing proof of the soundness of the country's "nuclear shield." Today's launch — the 26th — showed yet again the high combat readiness of the missile troops and the reliability of Russian missile weapons.

"The unique feature of today's launch is the fact that the RS-18 missile, whose six warheads hit targets in the Kamchatka area, had been on alert duty for 20 years at one of the Russian strategic missile troops' units near the town of Kozelsk [in Kaluga Region]. Its combat performance had nevertheless remained irreproachable," Col-Gen Viktor Yesin stressed.

Russia: Problems of Kaliningrad Border Troops Viewed

WS0706090096 Kaliningrad KALININGRADSKAYA PRAVDA in Russian 25 May 96 p 2

[Report by V. Kostomarov on news conference by Lieutenant General Ivan Rakhmanin, commander of the Kaliningrad Group of Border Troops, in Baltiysk on

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23 May: "KGPV Commander Lieutenant General I.V. Rakhmanin: 'Small Diplomacy Produces Big Results.'"]

[FBIS Translated Text] Setting up a naval border division in Baltiysk this year has been one of the concrete steps taken within the framework of an experiment which is currently underway in the Kaliningrad Group of Border Troops [KGPV]. This was reported by KGPV Commander Lieutenant General I.V. Rakhmanin during a meeting with journalists held on Thursday, on the eve of Border Troops Day. In addition, he said, new air force units will be formed which will eventually make it possible to improve the organization and personnel structure of the combined unit as much as possible.

Representatives of the mass media learned about a number of other new things during the meeting in Baltiysk. First of all, they learned about the general situation on the border and certain results of service and combat activities which were presented by the commander. In general, the KGPV leadership assesses the situation as tense because of criminal organizations' ceaseless attempts to transport to and via our region drugs, weapons, and ammunition, and encourage illegal migration. As for the latter, most often this refers to citizens of Iran, Iraq, Afghanistan, and certain other Asian countries.

The scope and difficulty of tasks performed have increased. While in 1993 1.2 million citizens went through border crossings, during the past six months 6.5 million people have crossed them. As the saying goes, one feels the difference. The more people, the more problems. During 1995 and 1996, 63 border violators have been detained. Smuggled goods worth 4.5 billion rubles [R], around 40 kg of drugs, over 10 various firearms, and more than 1,000 pieces of ammunition have been impounded.

During the same period, the KGPV naval forces have inspected over 200 vessels and have detained 16 of them. Various charges have been brought against three foreign and two Russian vessels. Fines for these violations have totalled R15 million and $40,000.

Nonetheless, in my opinion, the most interesting information was about the experiment which is continuing by a decision of Army General A.I. Nikolayev, director of the Russian Federal Border Service. In addition to the alterations in naval and air forces, changes in ground forces are approaching as well. Judging by all the signs, the phrase "commandant's office" will disappear from the vocabulary of border troops. Moreover, I.V. Rakhmanin emphasized that the military commandant's office, which everybody who has served in the army certainly knows, and the border commandant's office will be two different things. He reported that names which troops in green caps are accustomed to will be replaced and a border brigade and border battalions will appear on the Russian-Polish border. As for commandant's offices, three more of them have recently been set up in our region — in Krasnoznamensk, Nesterov, and Sovetsk.

As KALININGRADSKAYA PRAVDA has already reported, the Nikolay Kaplunov border frigate departed from Baltiysk to Gdansk on a visit. This is not the only example of the developing cooperation between the Russian Border Troops and their foreign colleagues. It was no accident that an international and treaty department quite recently appeared in the structure of the KGPV. To the traditional ties with border troops from Poland and Lithuania, contacts with colleagues from Sweden, Denmark, and the FRG were recently added. For example, Ivan Vasylevich [Rakhmanin] reported that Rear Admiral V.I. Bormotov, commander of the Baltiysk naval border division, is currently on a working visit to Sweden, and a group of Russian border troops is to fly to Denmark on 3 June. Copenhagen is particularly interested in developing transport communication with the participation of the internationally known SAS airlines.

The lieutenant general spoke in detail about his trip to Vilnius and his meeting with S. Stanchikas [name as transliterated], chief of the Lithuanian Border Guard. I.V. Romanin [as published] termed similar contacts small diplomacy and said that they make it possible to resolve certain problems pertaining to border cooperation.

Here is one example: Lithuanian society and mass media always react emotionally when a training is held at the test range of the 11th Detached Guards' Army, located directly near the Lithuanian border in Krasnoznamenskiy rayon. This was particularly evident last year, when missile troops form one of the 11th Army divisions conducted a test launch. An agreement has currently been reached — the details of which have been coordinated with Guards' Lieutenant General A.I. Pimenov, the army commander. The agreement envisions that the Lithuanian side will be notified in advance about training exercises involving combat firing.

Here is another example, which is no less noteworthy. A former warrant officer lives at that same Dobrovolskiy test range. He is a Lithuanian by nationality and always experiences problems when he wants to visit his relatives living across the border. What does this mean? From the viewpoint of pedantry, he should cross the border only at a crossing. This is very inconvenient because although the relatives live nearby, he has to

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take a long detour. Six Lithuanian families living in the vicinity of the Vishtynetskoye Lake in Kaliningrad Oblast have ended up in a similar situation. Do similar problems really have to be resolved at the level of both countries' foreign ministries? Having asked this question, the commander answered it himself: "Mr. Stanchikas and I have resolved this problem in a working manner, and agreed that these people will cross the border wherever this is convenient for them, though according to a list previously coordinated by the two sides." Thus, small diplomacy produces big results.

The visit to Vilnius was also connected with the ongoing Russian-Lithuanian talks on the demarcation of the state border. Not all disagreements have been settled yet. They are mainly connected with water areas: the Vishtynetskoye Lake, where the administrative border goes along the Lithuanian bank, the Neman River, the Kurshskiy Bay, and the Baltic Sea — with regard to these locations the dialogue is proceeding with particular difficulties in connection with a promising oil deposit which has been code-named D-6.

Not only the commander but also his deputies and the chiefs of KGPV leading departments participated in the news conference. From the report presented by Major General A. Suvorov, KGPV deputy commander, the journalists learned that the criminal environment is concentrating around illegal migration, and not without reason: The fee for an illegal transit ranges from $1,500 to $2,000. The general did not conceal that there were cases of blackmailing and threatening border troops who intercepted such criminal attempts, particularly in Sovetsk and Chernyshevskoye.

Major General N.S. Reznichenko, first deputy commander and chief of the KGPV Staff, spoke about the difficulties of manning units and combined units. Under Soviet rule, border troops were a part of the KGB structure, and truly the best from the best were selected for service. The current situation is bad. People are coming to serve at checkpoints as the last resort. There are convicts and drug users. How can one entrust a weapon to such a man, particularly if he is on combat duty not in a subunit, but in a team comprising as few as two or three people? It is not hard for a tragedy to occur in such a case.

Captain 1st Rank O.I. Furkalo, commander of the KGPV naval forces, recalled an utterly appalling case. A sailor with an entire "variety" of Criminal Code articles, including rape, robbery, and theft, came to serve in the division of border patrol boats stationed in Polessk. This is how the troops which were once deemed elite look. Commanders and officers from educational structures have to deal with such recruits. One cannot envy them. Border troops always serve on the frontline. And these are not only boisterous words. Over the past two and a half years, 2,500 border troops from Kaliningrad have been in "hot spots." As was revealed during the news conference, approximately 450 men are currently in the North Caucasus and 50 in Tajikistan. At KALININGRADSKAYA PRAVDA's request, Colonel A.A. Beykun, chief of the KGPV Personnel Department, added that over 120 people had been awarded state decorations for bravery while performing military duty, including 12 officers who had been awarded orders.

In conclusion, I want to add that after the news conference, the journalists had an opportunity to become familiar with the life and service of servicemen from the border naval division.

Economic Issues

Russia: Yasin Blames Budget Crisis on Tax Evasion, Politics

MK0606115396 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jun 96 p 1

[Report by Tatyana Koshkareva under the "Finance" rubric with the general heading: "The Deputies Vote for Inflation With the Government's Prodding"]

[FBIS Translated Text] Economy Minister Yevgeniy Yasin held a news conference yesterday, outlining the key negative consequences "caused by macroeconomic stabilization." Among them he mentioned "the difficult situation with regard to wages and nonpayments." According to the minister, the economic slump is continuing in the country (over the first four months of 1996 the GDP has fallen by 3 percent). Investment plunged by 10 percent.

As if reacting to the State Duma's adoption of the new law on the Central Bank, Yevgeniy Yasin said that the main macroeconomic problem facing the country at this stage is the budget situation and the collection of taxes. In his words, tax arrears since the beginning of this year have reached 60 trillion rubles. It should be noted that this figure appears to be unbelievably high, although in reality its immensity is proof of the fiercest of crises in the Russian tax system.

The presidential elections have caused serious adjustments to budget policy. According to Mr. Yasin, 50 percent of this year's budget revenue has been spent to pay wages, pensions, and benefits, whereas last year these budget items accounted for 27 percent of overall spending. The minister said that "this year the influence of politics on the economy turned out to be much greater than expected," which has manifested itself in

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enterprises' and companies' reluctance "to pay taxes before the election."

Yevgeniy Yasin gave perhaps the most clear-cut definition of the economic damage done by electoral fever that he could: It is not so much excessive budget spending as it is tax arrears, which are caused by the fact that enterprises are "demoralized by the election" and "lack political will." Metaphorically speaking, what Russia lacks is "Carlos Menem on a tank." The minister cited a curious episode from Argentine history, where Carlos Menem — who by the time he had been elected president positively despaired of collecting the requisite taxes — "arrived at the office of a persistent tax evader in a tank" and forced him to pay his arrears to the budget.

Russia: Livshits: Draft Decree Makes Delays of Wages Punishable

LD0706083696 Moscow INTERFAX in English 0753 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — A decree has been drafted under which managers guilty of delaying the payment of wages would be fined, Aleksandr Livshits, presidential economic adviser, told Interfax Friday.

"The fines will be used to pay wages to teachers," he said.

"In the same vein [Russian Empress] Catherine II used all the proceeds from sales of vodka in Russia to fight that evil by supporting culture and the Moscow University," Livshits said.

Russia: Yeltsin Aide Says New Central Bank Law Necessary

LD0606130296 Moscow INTERFAX in English 1220 GMT 6 Jun 96

[FBIS Transcribed Text] TVER, June 6 (Interfax) — Kremlin economic aide Aleksandr Livshitz has described the latest law approved by parliament and endorsed by the president saying the Central Bank must remit 5 trillion rubles worth of profits to the federal budget for specific expenditures as being compulsory to an extent.

The question is one of "a small emission", Livshitz, currently accompanying President Boris Yeltsin on a tour of the Tver region, told Interfax.

He said this sum makes up a mere 1 percent of budget expenditure. "This law will not prompt any serious changes to inflationary expectations," the aide said.

He said although the Central Bank is far from happy over the latest measure, it will have to abide by the new law and "we hope it will do just that." Livshitz said the Central Bank was due to start this work "today or tomorrow."

The Kremlin aide said the funds raised had already been allocated to concrete recipients down to regions.

Russia: Davydov Says Foreign Trade Stabilizes Reforms

LD0606175696 Moscow INTERFAX in English 1614 GMT 6 Jun 96

[FBIS Transcribed Text] MOSCOW,June 6 Interfax) — Foreign trade has had a stabilizing effect on the Russian economy in its transition, Russian Minister of Foreign Economic Relations Oleg Davydov said Thursday at the presentation of his book, "Foreign Trade: Time of Chances," published by the Marco Media publishing house.

"The development and strengthening of trade relations with the rest of the world helped fill the domestic consumer market with goods and ensure a production growth in a number of the key sectors of the Russian economy in an era of total deficit and a sharp production drop," Davydov said. "This became possible thanks to the deregulation of foreign trade and abolition of the tough administrative management levers of export-import operations."

As a result, Russia's foreign trade grew by 33 percent in 1995 against 1993, from $95 billion to $130 billion, he said.

"At the same time, the positive balance of Russia's foreign trade has always been ensured due to explosive growth in its exports," he said.

"Share of exports in Russia's GDP have reached 20 percent, against 5-6 percent under the Soviet Union," Davydov said.

This figure is "not an abstract indicator," Davydov said. "It means that one in five Russians employed works for exports, having a guaranteed job and payment when a deep industrial crisis is still on." For reference, he cited statistics on the U.S. export-oriented industry where this figure does not exceed 6 percent.

At the same time, Davydov admitted that "changes in foreign trade had some negative consequences, too, such as too brisk an easing of state control over export-import operations, the brain drain, hiding hard currency earnings and unfair competition."

"Correction of the errors committed will not have to be waited for long," he said.

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Davydov remitted all of his fee to the newly created Fund for Support of Foreign Trade Veterans. He said he regarded many of its members as his mentors.

Russia: Yeltsin Win May Not Guarantee Investment Boom

MK0706050196 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jun 96 p 4

[Unattributed report under the "In Brief" rubric: "Yeltsin's Victory Alone Is Not Enough"]

[FBIS Translated Text] "The current president's victory alone will not be enough to drastically boost the volume of investment," said Andrey Volgin, chairman of the Moscow Public Committee for Shareholders' Rights and chairman of the Expert Council of the government's Federal Commission on Securities and the Stock Market. In his words, in the event of Boris Yeltsin's victory the Russian economy will get $2-3 billion, not counting investment in government securities. A much greater amount of investment is expected next year, because "many projects require finalization, and most Russian enterprises have yet to make preparations for accepting investment." In 1997, up to $10 billion in foreign investment could be expected.

At the same time, first, not all investors are waiting for the results of the election to be announced to start buying up shares. "Evidently, some of them might want to take a chance and to buy shares even before the vote in the hope of reaping very high profits if their forecasts are borne out," the Expert Council chairman thinks. For this reason "the price of shares started growing as soon as the president's rating went up." Second, "the more investors become convinced of Yeltsin's victory, the higher share prices will grow before the elections — and, hence, the less growth there will be after the results are announced."

Russia: T-Bills Have Attracted $2.5 Billion in Foreign Investment

MK0706082596 Moscow NEZAVISIMAYA GAZETA in Russian 6 Jun 96 p 4

[Unattributed report under the "In Brief" rubric: "The Treasury-Bill Market Has Attracted $2.5 Billion"]

[FBIS Translated Text] The Central Bank of the Russian Federation has attracted over $2.5 billion in foreign investment to the market for short-term treasury bills, Andrey Kozlov, deputy chairman of the Central Bank, who is responsible for matters relating to the development of the securities market, said. In his words, currently the Bank of Russia does not intend to create incentives for nonresidents' speculative investment in Russian state securities. Referring to other segments of the domestic securities market, Andrey Kozlov noted that foreign investors may buy corporate equity without limitations, but they are obliged to pay in Russian currency. The deputy Central Bank chairman said also that the Bank of Russia is still intent on keeping a close watch on the lists of shareholders in Russian commercial banks, particularly so if they include nonresidents. But the settlement procedure for the sale of stock in banks will be similar to that established for operation with corporate securities, he explained. Andrey Kozlov said also that the concept for the development of the stock market in Russia, drawn up jointly by experts of the Central Bank and the Federal Commission on Securities, "has already been passed to the staff of the Russian president for consideration."

Russia: Financial Situation of Nuclear Power Stations 'Disastrous'

LD0706101296 Moscow INTERFAX in English 0924 GMT 7 Jun 96

[FBIS Transcribed Text] MOSCOW, June 7 (Interfax) — Delays with payment of wages to the personnel of Russian nuclear power stations keep the situation critical, Anatoliy Zemskov, head of the public relations in the state-owned nuclear power concern Rosenergoatom, told Interfax. The energy industry workers' union says that three and four month delays with payment of wages have occurred in the Novovoronezh, Kola, Kalinin, Leningrad, Kursk and Smolensk nuclear power stations. Russia is now operating nine nuclear power stations.

Zemskov said that the tension has relaxed in the Novovoronezh station where wages have not been paid since last February. Rosenergoatom officials have flown to Voronezh to attend a rally of the personnel scheduled for Friday. The personnel intend to stage protest actions but under the Russian legislation they are not allowed to take any action which can disrupt the operation of the station, he said.

The station managers and the Voronezh regional administration are now looking for creditors in order to obtain cash to pay the wages at least partly, Zemskov said.

On the other hand, the customers owe the station a total of nearly 152 billion rubles, he said.

The disastrous financial situation of the Russian nuclear power stations is attributable to the rising debts of energy consumers, Zemskov explained. The debts grew from 3.4 trillion rubles on January 1, 1996, to 4.7 trillion rubles on May 1, he said. The money trickle to the stations dried out in March, Zemskov noted.

Despite numerous applications to the government, the situation has not changed. The personnel officials have not been paid for three months, Zemskov said.

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International Affairs

Ukraine: President Leaves for Poland To Attend Summit

LD0706091096 Moscow INTERFAX in English 0840 GMT 7 Jun 96

[FBIS Transcribed Text] KIEV, June 7 (INTERFAX-UKRAINE) — Ukrainian President Leonid Kuchma left for Poland this morning to attend a central European summit.

He will return to Kiev Saturday night.

Ukraine: Kuchma Seeks 'Special Partnership' Ties With NATO

LD0606170696 Moscow INTERFAX in English 1601 GMT 6 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Ukraine wants to establish special partnership relations with NATO, President Leonid Kuchma said during talks in Paris with British Foreign Secretary Malcolm Rifkind on Wednesday [5 June], presidential spokesman Dmitriy Markov told Interfax.

Kuchma also hailed positive trends in Britain's Ukraine policy.

For his part, Rifkind said Kiev's drive to integrate into European structures was in line with the European community's interests, a premise the British government will work on in pursuing its policy on a bilateral and multilateral basis.

He said although hard, Kiev's decision to pull out nuclear weapons from Ukraine had raised the Ukrainian leader's prestige in Europe.

The Secretary said London had decided to increase spending on the know-how fund in aid of Ukrainian reforms. He put at about 150 the number of projects financed within the fund's framework.

It has been announced that President Kuchma will fly out to Poland on Friday to attend a two-day summit of presidents of Central Europe including Poland, Hungary, Czech Republic, Slovakia, Germany, Italy and Austria.

Kuchma will take in two plenary sessions, presidential sources told Interfax.

The summit agenda includes a range of issues such as the future of a unified Europe, Central Europe's role in the unification process, a new architecture of European security and the European Union's eastern policy.

Kuchma is scheduled to meet his counterparts of Poland, Germany, Austria and Hungary as well as representatives of the Ukrainian community in Poland.

Vladimir Gorbulin, secretary of the president's national security council, who will accompany Kuchma is expected to meet Mr Milevsky of Poland, co-chairman of the joint consultative committee.

Kuchma will take part in an open air news conference together with other presidents on Saturday before flying home to Kiev on the same day.

Ukraine: G-7, Ukrainian Experts Disagree Over Chernobyl Shutdown

LD0606135996 Moscow INTERFAX in English 1338 GMT 6 Jun 96

[FBIS Transcribed Text] KIEV, June 6 (Interfax-Ukraine) — Experts from Ukraine and the Group of Seven leading industrialized nations still disagreed over a number of crucial issues concerning the Chernobyl shutdown after an 11-hour session of talks in Kiev Thursday, Ukrainian Minister of Environmental Protection and Nuclear Safety Yuriy Kostenko told a news conference in Kiev Thursday.

Setting aside funds to finish the construction of two units at the Rovno and Khmelnitsk nuclear power plants is essential to the Chernobyl shutdown, the chief Ukrainian negotiator said. However, this very issue was the stumbling block of the talks, he said.

It was Ukraine's foreign partners who proposed building two new units to compensate for the loss of energy as a result of the Chernobyl shutdown, Kostenko recalled. "Finally, we had to agree with this idea," he said. Ukraine proposed building a fuel-fired steam plant near Slavutich, he said.

"If a mutually acceptable solution is not found, the Ukrainian government will probably have to revise the deadlines for each stage of the Chernobyl program," Kostenko warned.

Ukraine's partners realize the importance and priority of this issue, according to the chief of the power engineering department of the French Ministry of Industry, Claude Mandil. However, the delay in setting aside the necessary funds was not caused by red tape. "We need to have all the evidence that the project is good as far as both safety and technology are concerned," he said.

The funds may be made available to Ukraine in mid-1997, the French official said. This date is included in the pilot plan, while the whole project is expected to be accomplished by the year 2000.

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The first assistance agreements will be signed in July, Kostenko said. Ukraine will obtain money to build a storage for used nuclear fuel and recycling plants, he said.

The latest round of talks made "some progress" on the future of the sarcophagus over the blown-up Chernobyl reactor, Kostenko said. A feasibility study for this project is to be prepared and its value calculated by this fall, he said. The G-7 countries will make a decision on the financial sources for the project on the basis of this information, he said.

Kostenko reiterated Ukraine's determination to shut down the first Chernobyl reactor by the end of this year.

The April G-7 summit in Moscow increased the total costs of the Chernobyl shutdown from $2.7 billion, as initially set by the relevant memorandum, to $3.1 billion, Mandil recalled.

This amount does not include the upgrade costs for the sarcophagus which will be financed separately, he said.

The G-7 leaders are concerned about the safety of all RBMK-type reactors operating in Ukraine, Russia and Lithuania, the French official said. "We are negotiating their future with the leaderships of these states," he said.

At the same time, the world public is eager to shut down the Chernobyl plant, because it is the oldest one and cannot be upgraded, which had been done on other reactors of this type, Mandil said. Psychological and political reasons to shutdown Chernobyl also exist, he admitted.

Chernobyl has become a symbol, he said. There is growing public pressure on the Western governments to promote the Chernobyl shutdown, he said.

Summing up the results of the talks, Kostenko said they "helped understand Ukraine's position and what should be done to implement the Chernobyl program."

The next round of talks is likely to be held in September 1996.

Ukraine: Naval Chief: Relations With Russian Fleet More Constructive

LD0606133496 Kiev UNIAN in Ukrainian 1040 GMT 6 Jun 96

[FBIS Translated Text] Sevastopol [no date as received] — Issues of setting up a commission of plant representatives who will study the general condition of ships and vessels and then draw up a plan for their repair and modernization, has been agreed with the Ministry of Machine-Building, Military-Industrial Complex, and Conversion of Ukraine, Vice Admiral Volodymyr Bezkorovaynyy, Ukraine's deputy defense minister and commander of Ukraine's naval forces, has told journalists.

According to a UNIAN correspondent, Bezkorovaynyy said that it had of late become possible to digress from confrontation in relations between the two fleets in Sevastopol and reach better understanding on a more constructive basis.

Ukraine: Fleet Official: Joint Stationing of Two Fleets 'Impossible'

LD0606152196 Moscow INTERFAX in English 1310 GMT 6 Jun 96

[FBIS Transcribed Text] Sevastopol, June 6 (Interfax) — A joint stationing of the Russian and Ukrainian fleets is impossible. A statement to this effect was made in an "Interfax" interview by Deputy BSF [Black Sea Fleet] Chief of Staff Rear Admiral Grynko.

He reminded that the Sochi Accord dated June 9, 1995, and signed by the Presidents of Ukraine and Russia says that "the Black Sea Fleet of the Russian Federation and the Navy of Ukraine shall be based separately", and "the main base of the Russian Black Sea Fleet shall be in the city of Sevastopol". In this connection, the Rear Admiral noted that "less than a year has passed, but the Ukrainian leadership disavows this agreement and insists on a joint stationing of the Ukrainian Navy and the Russian BSF in Sevastopol bays".

Meanwhile, Grynko believes, if the two fleets are based in Sevastopol, "a host of problems will inevitably emerge in control of the forces".

Thus, in particular, he noted that in case of need for an emergency exit to sea, the question will arise: according to whose plan this will be done, who will command, and who of the commanders will have greater authority. "A naval base shall have a centralized command", the Rear Admiral underscored.

Besides, he pointed out that a possible attack against vessels leaving the base would demand concentration of efforts in the most dangerous direction, and this requires free space and undivided authority. The Rear Admiral also stressed that the whole infrastructure of the main base "shall be in one hands".

On top of that, Grynko noted that there is also the problem of the regimen for the use of off-shore area. "If it is given the status of Ukraine's territorial waters, great difficulties will inevitably emerge in its practical usage by the BSF", the Rear Admiral pointed out.

Meanwhile, he noted that taking into account the geographical position of Sevastopol, the BSF force stationed in its bays shall be able to control "all the main directions of a possible foe's attack, first and foremost, the outlets from the strait of Bosporus, the western and central parts of the Black Sea".

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National Affairs

Ukraine: Kuchma, Moroz Discuss Preparations for Independence Day

LD0606125496 Kiev UNIAN in Ukrainian 1040 GMT 6 Jun 96

[FBIS Translated Text] Kiev [no date as received] — Ukraine's President Leonid Kuchma and Supreme Council Chairman Oleksandr Moroz have chaired a sitting of the organizing committee set up to make preparations for the celebration of the 5th anniversary of Ukraine's independence [the date is marked on 24 August when the parliament of Ukraine adopted in 1991 the Act on Ukraine's state independence]. Kuchma told the sitting that he was convinced of "the historic importance of this date in Ukraine's history." He said it was necessary to stage a series of mandatory events marking the 5th anniversary of Ukraine's independence in the Autonomous Republic of Crimea and in all regions of the country. Kuchma stressed that their main aim was to consolidate society's unity. "This holiday is of great importance for the further development of sociopolitical processes in Ukraine and for raising its status in the world."

According to UNIAN, Kuchma emphasized the importance of making a decision on the expediency of holding mass events and a military parade on that day, taking into account the economic potentials of the country. The president also said that the government was to clear the wage debt "well before 24 August."

Ukraine's Foreign Minister Hennadiy Udovenko, who spoke at the sitting, emphasized that it would be worth inviting heads of state or government of the countries that had been among the first to recognize Ukraine's independence, in particular Canada, Russia, Poland, Croatia, Estonia, Hungary and Lithuania, to attend the 5th anniversary events.

Supreme Council Chairman Oleksandr Moroz in his speech at the sitting stressed that adoption by the Supreme Council of the [new] Ukrainian Constitution by 24 August would be an act of good will. He said he was convinced that the fundamental law could be adopted precisely by parliament.

Deputy Prime Minister for Humanitarian Issues Ivan Kuras was appointed chairman of the organizing committee's working group.

Ukraine: Kuchma Remarks About Cabinet Reshuffle

LD0606145596 Moscow INTERFAX in English 1310 GMT 6 Jun 96

[FBIS Transcribed Text] Kiev, June 5 (Interfax-Ukraine) — Cabinet reshuffle is possible next week, Ukrainian President Leonid Kuchma said in interview with Ukrainian newsmen accompanying him in his trip to Paris.

However, he said, the shake-up will involve the "economic bloc", and the changes will not be "drastic".

L. Kuchma stressed that "the main thing now is to adopt the Constitution", following which the Prime Minister will make proposals on the composition of the Government.

According to the President, the issue of the Kiev city administration head "will be also resolved", but only after the current Mayor Leonid Kosakivsky leaves hospital.

Ukraine: Association Formed in Opposition to Kuchma

LD0606203996 Kiev UNIAN in Ukrainian 1550 GMT 6 Jun 96

[FBIS Translated Text] Kiev — On 6 June, 12 people's deputies of Ukraine announced the formation of People's Opposition — an association whose chief goal is "to remove from power the anti-people regime of President Kuchma," people's deputy Ivan Symonenko announced at a news conference.

He said the association had set up its headquarters and is forming its structures. Symonenko noted that after People's Opposition reaches its chief goal it intends to set up a coalition government which is to take the country out of the artificially created economic crisis. He also said that it is only possible to reach this goal by creating a joint economic mechanism within a revived union of the former Soviet republics.

A UNIAN correspondent reports that Symonenko had stated that among its first priority measures the association considers the introduction of state regulation of all the economic activities and the nationalization of the Ukrainian fuel and power engineering complex if it comes to power.

Symonenko also said that the association includes representatives of leftist parties and organizations although the majority of the members are independent citizens.

Economic Issues

Ukraine: Premier Says Certain Macroeconomic Stabilization Achieved

LD0706103996 Kiev UNIAN in Ukrainian 0815 GMT 7 Jun 96

[FBIS Translated Text] Kiev [no date as received] — Today we can say that thanks to a whole number of important decisions it has become possible to achieve certain macroeconomic stabilization in Ukraine, to lower the inflation rate essentially and consolidate the national

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currency [karbovanets], Ukraine's Prime Minister Pavlo Lazarenko said in a message of greetings to the participants in the international conference on "Progress of the economic reform in Ukraine," which Ukraine's Deputy Prime Minister for Economic Reform Viktor Pynzenyk read out on 7 June. The prime minister is convinced that the main task now is "to go over to a new stage in reforming the economy, the essence of which is to unravel structural reforms, work consistently toward restructuring and accelerating the privatization of enterprises, create a favorable investment climate, and form an effective system of targeted social protection of the population." These tasks should be fulfilled against the background of the further deepening of financial stability and consolidation of the budgetary and financial discipline, Lazarenko believes.

Ukraine: Lazarenko Meets With Kherson, Lugansk Managers

WS0706075296 Lvov INFOBANK in English 0740 GMT 7 Jun 96

[From "News Service" feature]

[FBIS Transcribed Text] Lvov, 6 June — On June 6, Ukrainian Prime Minister Pavlo Lazarenko visited Kherson. He met with the oblast management and rayon state administrations and criticized their performance which led to a considerable financial decrease and a decrease in manufacturing. He mentioned his intention to approach the Ukrainian president with a proposal to perform changes in managerial staff of the Kherson Oblast. Pavlo Lazarenko obliged the oblast management to take urgent steps aimed at the attraction of foreign investments in the regional agricultural sector.

Prior to his visit to Kherson, Prime Minister Lazarenko visited the Lugansk Oblast. He said that in accordance with the governmental plan of support to the coal-mining sector, 236 coal-mines in Ukraine are divided in two groups. The first group includes companies in need for governmental subsidies. The second group includes coal-mines which are able to work independently without any budget support.

Pavlo Lazarenko said that the government drew up a procedure to close down 30 unprofitable Donbass coal mines and create new jobs for their employees (24,000 workers). He also mentioned a possibility of changes in management of the coal-mining sector. He is convinced that managers of coal mines and coal associations have to support a governmental plan of reforms in the coal sector.

Ukraine: Official Briefs on Government's Economic Plans

WS0606084996 Kiev INTELNEWS in English 0125 GMT 6 Jun 96

[Report by Sava Olyferchuk]

[FBIS Transcribed Text] Kiev, June 5. Ukraine's new government plans to drastically shift the country's tax burden from businesses to individuals, Deputy Prime Minister Anatoliy Kinakh told the leadership council of the Federation of Trade Unions of Ukraine on Wednesday.

According to Kinakh, recently appointed Prime Minister Pavlo Lazarenko's government will insist on decreasing taxes for enterprises while simultaneously hiking taxes for individuals. Other plans, he said, include introduction of a temporary (two to three-month) regime for top-priority payments to enterprise (non-budget) employees and passage of laws aimed at protecting and encouraging domestic producers.

According to Kinakh, who has the Industry portfolio in Ukraine's government, on the drawing board are a series of protectionist measures banning imports of goods and exports of raw materials, such as leather. Also envisioned are privileges for export-capable producers.

Kinakh reported that to ease the central government's financial burden, "social" properties such as sanatoriums and tourist sites should be transferred to local administration balances, and this should be carried out on a voluntary basis.

Government also plans to intensify cooperation with the Commonwealth of Independent States by submitting to Parliament within the next three months projects for five Russo-Ukrainian industrial-financial groups (IFG). Among those will be the industrial association ForMash (chemicals, Chernihiv - Moscow), a Trans-national group for titanium production (Verkhnedneprovsk, Donetsk, Zaporizhzhya), Trans-national aluminium company (Mykolayiv - Krasnoyarsk, Bratsk), TransZernoTekhnika corporation (Kherson, Berdiansk - Taganrog, Moscow), Trans-national company on production large-diameter oil pipelines (Mariupol, Novomoskovsk, Nikopol - Novolipetsk, Chelyabinsk, RAO 'GazProm'.)

Kinakh, considered by many the closest aide to the new Prime Minister and a candidate for the First Deputy Prime Minister position, admitted that subsidies for communal payments are going to be reduced (from 20-25 percent to 5-10 percent of the Ukrainian population), and that the deadline for pickup of privatization certificates will be extended until Jan. 1.

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According to Kinakh, the government will work according to a new scheme. Inter-ministerial commissions will solve every particular social and economic problem. "Self-regulation of enterprises under new market conditions failed, so a routine scrupulous job by the government on complex resolution of the problems is necessary," said Kinakh.

Speaking on the possible changes in government personnel, which, according to Dmytro Tabachnyk, head of the Presidential Administration, will take place next week, Kinakh said "we should not hunt for sorcerers and look for whom to blame, but wisely use the possibilities of these employees that we have."

Ukraine: Government Issues Resolution on State Support to Coal Mines

WS0706080196 Lvov INFOBANK in English 0740 GMT 7 Jun 96

[From "News Service" feature]

[FBIS Transcribed Text] Lvov, 6 June — The Ukrainian Cabinet of Ministers issued a decree providing for a governmental support to only those coal mining companies which extract coal consumed in Ukraine. The amount of this aid will depend on the volume of coal extracted by a company.

The government decided that a credit of 17 trillion karbovantsi [K] which commercial banks promised to offer to coal mines in the first decade in June will be used for the purchase of new cleaning equipment. A recommendation was made to purchase this type of equipment from Ukrainian manufacturers. By September 15 1996, the Ministry of Energy is obliged to purchase 5.5 million tonnes of coal for the Ukrainian national reserve. For this purpose a loan of K6 trillion from the budget was issued for the Ministry of Energy.

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Belarus

Belarus: Prime Minister Views Economic Situation, Banking

WS0606125896 Minsk BTK Television Network in Belarusian 1800 GMT 5 Jun 96

[Interview with Belarusian Prime Minister Mikhail Chyhir by Alyaksandr Zimowski, in Russian; in Minsk, date not given — recorded]

[FBIS Translated Text] [Chyhir] The concept of Belarus's development until the year 2000 has been drafted and submitted for the president's consideration. The first version of the concept will be ready by 10 June. We have suggested that Supreme Soviet commissions take part in the development and redrafting of the concept and the program [for the implementation of the concept]. It is important to us that all rational suggestions be included in the program and concept. The government continues its work, and in the immediate future these two extremely important documents will be publicized. In essence, we still work within the framework of the program for lifting the economy out of the crisis, which was drafted and approved by the Belarusian Supreme Soviet.

Indeed, rumors have recently been circulating about the dramatic worsening of the economic situation in Belarus. If we look at the principal economic indicators, the drop in GDP has been slowed down. If one draws conclusions about the dramatic deterioration based on wage arrears, I would like to point out that the government's debt for unpaid wages is not increasing, although the situation remains complex, as before.

As for the budget sector employees, I believe that in the immediate future we will improve the situation, and that the situation will be better than in April or May. As for unsubsidized enterprises, the volume of wage arrears remains at the same level, standing at around 900 billion rubles. Unfortunately, this figure has not changed.

We do observe a certain worsening of the situation in the [currency] exchange. At the same time, I would like to express a warning... I would like to say that opinions to the effect that the deterioration has been caused by the drop of exports are untrue. Belarus's exports have increased by more than 20 percent within the first four months of 1996 in comparison with the corresponding period of 1995.

However, we have been faced with another problem: The increase in the volume of imported commodities exceeds the increase of exports. We have done the first thing to hamper imports: We have turned to the Russian Government with a suggestion to review customs fees levied on a number of imported commodities. In addition, the government, jointly with the National Bank, is currently calculating exchange rates for the second half of 1996. One should not be afraid of any Black Tuesday [reference to USSR monetary reform of 1990], but devaluation of the national monetary unit will be conducted gradually. This will facilitate the growth of exports and will serve as a deterrent to imports. These two aspects constantly remain within the government's purview. From the government's perspective, there are no surprises of any kind in the current economic situation. At the same time, certain measures are being planned and I hope they will produce positive results. I hope we will avoid situations such as the current one, when exporters cannot purchase components for their products.

As for unwanted imports, we will undertake measures, and I think we will reduce their volume to a certain extent. We will need time for this — around a month or a little more.

[Zimowski] As far as I know, before President Lukashenka's departure [to Sochi] you discussed this scenario with him.

[Chyhir] Around a month ago we presented the Russian Government with a document proposing an increase in import duties. Before the president's departure we discussed the situation in the currency exchange, and he is aware of the situation before the departure and now. There have been no changes either for the better or worse. The currency exchange meets the demand for hard currency required to pay for the import of basic products, primarily components and raw materials for our enterprises. There may be certain problems with hard currency to buy consumer goods or luxury products. This problem, however, is not important for the national economy and should not be discussed at present.

[Zimowski] How will the government observe the president's instruction to ensure the 1995 production indicators in industry and agriculture?

[Chyhir] I believe that in terms of industrial production, by the end of June we will reach the level of the six months of 1995. Preliminary estimates confirm this.

The situation in agriculture is improving very slowly, and it will be a much more difficult task to eliminate the lag between production volumes in 1996 and 1995. Nevertheless, I would like to point out that Vitsebsk Oblast was among the first regions to have reached last year's level in the production of milk. Mahilyow and Homyel Oblasts, too, are approaching last year's indicators.

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In agriculture, we will be able to achieve the 1995 level solely after harvesting, given that we expect much bigger crops than in 1995.

I believe that the GDP level will be somewhat higher than last year's. Therefore, I do not see any critical phenomena in the economy, and I am looking at the future with optimism.

[Zimowski] You held a meeting with Russian bankers recently. Were they not worried about President Lukashenka's edict No. 209 on regulating banking activities? Russian experts have deemed the edict as the beginning of nationalizing banks in Belarus.

[Chyhir] I explained to them what kind of procedure will be applied. They agreed; they do not see any problems.

Majority stakes of commercial banks should be transferred to state structures and state-run enterprises.

In the past, banks managed to buy property, including buildings, at a very low price, for which they paid with money acquired from state-run companies in the form of fees. The value of those buildings has gone up 5,000-fold. The role of state structures in the charter funds of banks should be enhanced, and I do not think this is bad. Banks in Belarus entered market relations much earlier than the entire economy. Therefore, it will be useful to eliminate the gap which has emerged between the banking sector and the rest of the economy.

Belarus: Senior Ministerial Reshuffle in Belarus

LD0606140696 Minsk NARODNAYA GAZETA in Russian 24 May 96 p 1

[FBIS Summary] According to official reports in NARODNAYA GAZETA Belarusian President Alyaksandr Lukashenka reshuffled some senior aides.

Mikhail Myasnikovich has been moved from deputy prime minister to head the Presidential Administration.

Leanid Sinitsyn and Vasil Dalgalyow have been appointed deputy prime ministers.

Belarus: Government Hands Over State Gold Reserve to National Bank

LD0606182696 Moscow INTERFAX in English 1601 GMT 6 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Belarussian government and the National Bank of Belarus [NBB] reached an agreement on transfer of the state's gold reserve to the bank, NBB chairman of the board Tamara Vinnikova told Interfax Thursday. She said nothing about the volume of the gold reserve.

According to Vinnikova, earlier the republic's banking system had no gold reserve.

It was stored in the government Committee on Precious Metals and Stones.

According to unofficial information, Belarus' gold reserve amounted to about 300 kilograms half a year ago.

The gold reserve will be not only the property of the state but a reliable pledge to receive currency credits abroad after appropriate legal formalities necessary in this case, Vinnikova said.

Asked about the possible fate of the Belarussian ruble due to the signing of the Treaty on Creation of the Community by Belarussian President Alyaksandr Lukashenka and Russian President Boris Yeltsin on April 2 in Moscow, Vinnikova said that Belarus must preserve its national currency within the Community as well.

At the same time Belarus and Russia and other states which intend to join the Community must agree on establishing a single equivalent currency for payments between themselves similar to ECU in the European Union, she said.

"Free convertibility of the Belarussian national currency" is Vinnikova's main dream as the republic's chief banker.

The Cabinet of Ministers and the NBB are considering six variants of programs to index and to compensate bank deposits of the population devaluated by inflation in 1992-94, she said.

Belarus: National Bank Head's News Conference Detailed

WS0706080896 Minsk BELAPAN in English 0644 GMT 7 Jun 96

[FBIS Transcribed Text] Minsk, 5 June — The national banking system suffers from the present crisis to a smaller degree compared to some other states, Tamara Vinnikava, Chairperson of the Belarusian National Bank management board, said at a news conference which was held on June 5. Nevertheless, according to her, the banking sector is very poorly protected. At present five commercial banks are in danger of being liquidated because of their bankruptcy. In two of them — Dukat and Mahnatbank — liquidation commissions will start to work in the near future. The fate of the other three (Mrs Vinnikava refused to name them for ethical reasons) has not been decided yet. They may be merged with stronger banks. Some 13 commercial banks are operating at a loss.

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In Mrs Vinnikava's opinion, the present situation is a result of the lack of control over the activities of commercial banks. That is why the chairperson of the National Bank welcomed the President's decree "On Measures for the Regulation of Banking Activities in the Republic of Belarus." According to her, despite predictions by some economists and politicians, judging from this decree, commercial banks will not be nationalised. The decree only made the National Bank answerable for the state of the entire banking system. In Mrs Vinnikava's opinion, that is correct because until recently nobody bore the responsibility before depositors in the event of the liquidation of a bank. In this regard bankers pin their hopes on the adoption of the Law on Bankruptcy which stipulates specific mechanisms of the liquidation of banks and settlings with public depositors.

Mrs Vinnikava also said that in spite of numerous problems, at the present time the National Bank is able to maintain the exchange rate of the Belarusian ruble as it has $500 million in store. According to her, this is a reserve fund. Mrs Vinnikava cited the example of Russian Vneshekonombank which went bankrupt because of the use of resources from its reserve fund. She also informed reporters that according to agreements reached with the International Monetary Fund, the National Bank may spend no more than $100 million per quarter on the maintenance of national currency.

Mrs Vinnikava listed the points about which the Belarusian government and the IMF cannot come to terms. Among them are the issue of subsidised loans, which does not meet with approval among IMF experts, and the introduction of exchange rate limits. According to Mrs Vinnikava, in the near future these limits will hardly be changed. However, when the financial policy is formulated for the following quarter, the so-called "exchange rate of creeping attachment" [attachment to the inflation rate set by the Supreme Soviet — 2.5 percent] will be used.

Speaking about the national financial system in the context of Belarusian-Russian integration, Tamara Vinnikava expressed her personal viewpoint according to which Belarus should not lose its sovereignty, and should have its own currency. Nevertheless, in her opinion, a certain common monetary unit should be to serve as an equvalent for settlings between the states. According to her, the chairman of the Russian Central Bank, Sergei Dubinin, adheres to the same opinion. As for the future of Belarusian currency, Mrs Vinnikava said that the first step to make it convertible should be placing the state's gold reserve under the control of the National Bank. According to her, the Belarusian banking system has never "possessed gold" which will perform the function of security when the country is in need of important credit.

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Azerbaijan

Azerbaijan: President Expects Settlement Progress by End of 1996

LD0606153796 Moscow INTERFAX in English 1446 GMT 6 Jun 96

[FBIS Transcribed Text] BAKU, June 6 (Interfax) — Positive moves in Armenian-Azerbaijani settlement will be seen by the end of this year, Azerbaijani President Geydar Aliyev told an OSCE delegation in Baku Thursday.

At the same time, he noted that "over two years of enforced ceasefire is a very important achievement by itself."

Baku is interested in reaching progress at the Armenian-Azerbaijani talks, because 20 percent of its territory is occupied and about 1 million of its citizens are refugees, Aliyev said.

The OSCE will host consultations on Armenian-Azerbaijani settlement in Vienna on June 20.

The OSCE delegation includes a co-chairman of the OSCE Minsk Conference, Valentin Lozovoi of Russia, and co-chairmen of the OSCE Minsk Group, Rene Nieberg of Finland and Vladimir Kazimirov of Russia.

Azerbaijan: OSCE's Kazimirov Calls Talks 'Resultless'

NC0606175596 Baku TURAN in English 1600 GMT 6 Jun 96

[FBIS Transcribed Text] Baku/06.06.96/TURAN— "The latest rounds of the talks were not fruitful enough, more over, they were resultless," TURAN was told by Vladimir Kazimirov, co-chairman of the OSCE Minsk group for the Armenian-Azeri conflict. That is why the members of the Minsk group expressed their concern to all countries, even to the UN Security Council.

Co-chairmen of the Minsk conference sent a letter to the presidents Geydar Aliyev and Levon Ter-Petrosyan, as well as to the leadership of Nagorno-Karabakh. The letter expresses a hope that the leadership of the conflicting parties will analyse the situation and the talks will be more constructive. And the delegation of the OSCE arrived in Baku just with this hope.

He also said that the term of the next round of talks will depend on the positions of the countries. If there are favourable circumstances, it may happen in June. If the parties are not ready to the next round of talks, they will have to report about it to the chairmanship of the OSCE , Kazimirov said.

The Russian diplomat said that session of the OSCE is to take place on June 20 in Vienna. At the invitation of the present chairman of the OSCE a meeting of the members of the OSCE Minsk conference with the Foreign Ministers of Switzerland (present Chairman of the OSCE), Hungary (former chairman) and Denmark (next chairman) will take place there. The meeting will be devoted to the peacekeeping process.

Kazimirov expressed a hope that next round of the talks can take place prior to the meeting to be held in Vienna. However, this matter will be clear after the delegation will visit Yerevan.

Vladimir Kazimirov is not satisfied with the fact that Azerbaijan delays the negotiation process and is "distracted by small problems." Thus Azerbaijan insists to call the conflict not the Nagorno-Karabakh conflict, but the Armenian-Azeri.

Azerbaijan: OSCE Official Defends Azerbaijani 'Territorial Integrity'

NC0606175496 Baku TURAN in English 1600 GMT 6 Jun 96

[FBIS Transcribed Text] Baku/06.06.96/TURAN— "Russia considers that the territorial integrity of Azerbaijan has been violated and we recognise the territory of Azerbaijan in the borders which existed before the destruction of the USSR," TURAN was told by the co-chairman of the OSCE Vadim Lozinskiy.

"Russia comes out of the fact that these borders should be followed and territorial integrity of Azerbaijan should be provided. Russia de-jure recognises that and acts coming out of this," he said.

Azerbaijan: Aliyev Reception of Minsk Group Delegation Detailed

NC0606175996 Baku TURAN in English 1600 GMT 6 Jun 96

[FBIS Transcribed Text] Baku/06.06.96/TURAN— Today President Geydar Aliyev received the delegation of the OSCE Minsk group headed by its co-chairman Vadim Lozinskiy.

From the latest visit of the co-chairmen of the Minsk conference to the region there were both positive and negative moments, Losinskiy said. He considers negative the fact that the sides did not manage to agree the text of agreement on cease of the armed conflict. "The Council of the OSCE and the UN Security Council joined our call to the sides to the conflict to do their best to make to talks more constructive." Lozinskiy said.

Among the positive moments he named the Luxembourg communique of the presidents of Armenia and Azerbaijan, exchange of prisoners of war with mediation of Yevgeniy Primakov, statement of the heads of

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the CIS states made at the summit in Moscow a statement made in Kislovodsk.

Representative of the co-chairman, the Finnish diplomat Rene Niberg noted great significance of direct contacts between the advisors of the presidents of Armenia and Azerbaijan Liparitian and Guluzade. "This is only a part of the Minsk process," Niberg said. he also said that summit of the OSCE is scheduled for December this year. "It is necessary to obtain progress at the talks by this time," Niberg said.

Geydar Aliyev said that the process of settlement is going very slowly and it is necessary to reach cardinal changes in the negotiation process. "Two years passed from the Budapest summit, however there are not any significant results except cease-fire," Geydar Aliyev said. The president says Azerbaijan still believes and hopes that the Minsk group is able to resolve this problem. "The Minsk conference and the Minsk group entered the history, it is not right to enter the history and to have inglorious end," the president said.

Walter Turhern, a representative of Flavio Cotti, the present chairman of the OSCE told that the meeting of the present, former and future co-chairmen of the OSCE with the members of the Minsk conference for Nagorno-Karabakh is to take place in Vienna June 20. "Parallel with the Bosnian conflict the OSCE considers very important the resolution of the Armenian-Azeri conflict," Turhern said conveying to the president Geydar Aliyev personal message from Flavio Cotti.

Representative of the co-chairman of the Minsk conference Vladimir Kazimirov said, in turn, that OSCE highly appreciates the point of the Kislovodsk agreement in which the parties undertook to follow a cease-fire regime till obtaining the political agreement.

Then the meeting was held behind the closed doors.

Azerbaijan: Guliyev Reception of OSCE Delegation Detailed

NC0606202196 Baku TURAN in English 1600 GMT 6 Jun 96

[FBIS Transcribed Text] Baku/06.06.96/TURAN—Today the speaker of Parliament, Rasul Guliyev, received the OSCE delegation headed by the co-chairman of the OSCE Minsk Conference, Vadim Lozinskiy. The delegation also includes the representatives of co-chairmen of the OSCE Minsk Conference, Vladimir Kazimirov and Rene Niberg.

Rasul Guliyev mentioned that unfortunately the OSCE did not achieve any results in resolvement of the Armenian-Azerbaijani conflict.

Vadim Lozinskiy has admitted lack of advancement in the process of conflict resolvement, but he noted that the wish of the sides to accelerate the process of peace settlement gives us hope.

Today after noon the OSCE mission will be received by President Aliyev.

Azerbaijan: Germany Not To Establish Official Ties With Karabakh

NC0706065896 Baku Radio Baku Network in Azeri 1800 GMT 5 Jun 96

[FBIS Translated Text] A press conference has been held by the German Embassy in Baku. It focused on President Geydar Aliyev's forthcoming visit to Germany. Ambassador Michel Schmunk said that high-level talks will be held and the cornerstone of economic cooperation between the two countries will be laid during the visit. He also said that the German Government does not intend to establish official contacts with Daghlyk-Karabakh [Nagorno-Karabakh].

Azerbaijan: Government Plans Expanded Role for Foreign Companies

LD0606184296 Moscow INTERFAX in English 1601 GMT 6 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Azerbaijani government is working out plans to have numerous key factories managed by foreign companies.

President Geydar Aliyev said so at a meeting of the Azerbaijani-British Trade and Economic Council.

IF Note: The council was set up at the end of 1995 to coordinate economic cooperation between the two countries. It is co-chaired by Azerbaijani Ambassador to Britain Mahmud Mamed Guliyev and British Junior Foreign Minister George Regis.

Aliyev said that several metal works will be taken over by foreign companies.

Foreign companies will also have a right to purchase Azerbaijani factories in the course of privatization, he said.

Aliyev emphasized that these steps will be in line with the policy of creating a favorable environment for foreign business in the country. In particular, the government and parliament will vigorously improve the taxation system for that purpose.

Bureaucracy and inadequate legislation obstruct the economic reforms, Aliyev said. "But the government

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will take every step to remove the obstacles, especially those of bureaucratic nature," he promised.

Aliyev invited British companies to penetrate the Azerbaijani market more vigorously and said that most favorable conditions will be created for them. He said that 45 British companies were active in Azerbaijan

British Energy Minister Tim Eggar expressed the hope that the bilateral cooperation will extend beyond the oil industry. He welcomed the intention of the Azerbaijani leaders to streamline the tax legislation.

Georgia

Georgia: Security Council Discusses NATO Cooperation, Security Law

LD0606175296 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1530 GMT 6 Jun 96

[FBIS Translated Text] Tbilisi — Today, Georgian President Eduard Shevardnadze chaired a regular session of the National Security Council. The session heard a report by Revaz Adamia, chairman of the Committee for Defense and Security of the Georgian Parliament, on the work carried out by the Georgian state delegation at the first conference to discuss the Conventional Weapons Treaty in Europe.

The council discussed measures connected with the partnership cooperation program between Georgia and NATO.

Along with other issues, the session discussed the draft laws "On State Security" and "On State Secrets."

The council also heard information about the current situation in the Autonomous Republic of Abkhazia. The session was held behind closed doors.

Georgia: Georgian-Armenian Border Moved 4 km Into Georgian Territory

LD0606175096 Tbilisi IPRINDA in Russian 1430 GMT 6 Jun 96

[FBIS Translated Text] Tbilisi, 6 Jun — A high-ranking official of the Georgian Border Troops command, in an interview with an IPRINDA correspondent, has confirmed the fact that the Georgian-Armenian border has been moved 4 km into Georgian territory, near the village of Kachagani in Marneuli District.

"The above instance took place several months ago. The Armenian side said that it had been caused by the situation in the conflict zone in Nagorno-Karabakh."

The official said that the Armenian-Azeri border is several kilometers away from the territory currently occupied by the Armenian forces, where the Armenians are carrying out "reinforcement works."

"There has been no great outcry over this incident as it was decided that the issue will be settled during the demarcation of the Georgian-Armenian border."

Georgia: Economic Agreements With Uzbekistan Ratified

AU0706095396 Tbilisi SVOBODNAYA GRUZIYA in Russian 28 May 96 p 1

[SAKINFORM report: "On the Ratification and Bringing Into Force of the Agreements Signed by the Republic of Georgia Government and the Republic of Uzbekistan Government on 4 September 1995"]

[FBIS Translated Text] In order to bring into force the agreements signed by the Republic of Georgia Government and the Republic of Uzbekistan Government in Tashkent on 4 September 1995, an edict of the Georgian president ratifies:

a) "The Agreement on Free Trade Between the Republic of Georgia Government and the Republic of Uzbekistan Government";

b) "The Agreement on International Road Communication Between the Republic of Georgia Government and the Republic of Uzbekistan Government";

c) "The Agreement on Industrial Cooperation Between the Republic of Georgia Government and the Republic of Uzbekistan Government."

Georgia: Cossacks Ask Shevardnadze, Yeltsin To Protect Russians

LD0606180096 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1530 GMT 6 Jun 96

[FBIS Translated Text] Tbilisi — The Georgian Union of Cossacks has sent a statement to Russian President Boris Yeltsin and Georgian President Eduard Shevardnadze. The statement says the following:

"Crime is on the rise in Abkhazia and the people of Russian nationality are victims of this — they are robbed and killed...[agency parenthesis] Instances of their disappearance are not unusual either. The local leadership, which is afflicted with the psychosis of nationalism, cannot control the actions committed by criminals arriving from the CIS states. It does not react to blatant banditry and ignores pleas by the Russian-speaking population to protect them from criminals. 'If you do not like it here, get out,' this is the response they get.

"The Georgian Union of Cossacks is indignant about such a blatant breach of international law with regard to compatriots. It protests categorically against the Abkhaz separatists and declares that Ardzinba and his

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entourage are fully responsible for the torture to which the Russian-speaking population has been subjected.

"The Georgian Union of Cossacks appeals to the presidents of Russia and Georgia to take active measures to protect Russians, Georgians, and people of other nationalities against crime in Abkhazia."

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Latvia

Latvia: Polish Defense Minister Arrives, Holds Talks With Ulmanis

LD0606190596 Riga Radio Riga Network in Latvian 1700 GMT 6 Jun 96

[FBIS Translated Text] Polish Defense Minister Stanislaw Dobrzanski arrived in Latvia today on a two-day official visit. He met State President Guntis Ulmanis, and they discussed prospects for the two countries' security systems. Dobrzanski announced that, to judge from statements by various NATO representatives, it is [word indistinct] that Poland will be admitted to NATO. He emphasized that Poland wishes to be in NATO to ensure peace and stability in the region. Asked by Guntis Ulmanis to predict the course of events as to how realistically the Baltic countries might be admitted to NATO, the guest replied that admissions will be made in several stages, and what will be decisive will not be the military factor but democratic and economic factors.

Latvia: Polish Defense Minister Promises Military Assistance

LD0606221896 Warsaw Third Program Radio Network in Polish 2200 GMT 6 Jun 96

[FBIS Translated Text] Polish Defense Minister Stanislaw Dobrzanski, who is in Latvia on an official visit, has promised that Polish technical and training assistance for the Latvian army will be increased.

[Correspondent Andrzej Klubinski, reporting from Riga] Stanislaw Dobrzanski and Andrejs Krastins, the ministers of defense of Poland and Latvia, discussed problems connected with security in the area of the Baltic Sea and in the context of both countries' striving for NATO membership, issues of cooperation in the international arena on how to speed up this process, and issues connected with the deepening of mutual cooperation in defense.

[Begin Dobrzanski recording] We spoke about the mutual training of senior and junior officers, about possibilities for Poland's assistance in the training of junior and senior officers of the Latvian Armed Forces. We also spoke about arms shipments. I told them about Poland's capabilities in this respect. It is possible that we will be able to give some military equipment to the Latvian Armed Forces. We discussed joint exercises. I invited them to observe our exercises, which we will be soon carrying out as part of the Partnership for Peace scheme. [end recording]

[Klubinski] It was established that in one month's time, a Polish-Latvian agreement on cooperation on the control of air space will be signed.

Latvia: Accords Signed With PRC on Trade, Economic Cooperation

LD0606194496 Riga Radio Riga Network in Latvian 1800 GMT 6 Jun 96

[FBIS Translated Text] The aim of the visit of Chinese Vice Premier Li Lanqing is to develop contacts with Latvia in the political, economic, scientific, technical, and cultural spheres, the Chinese vice premier stated at the start of his visit to Latvia today. Tomorrow, as part of the Chinese vice premier's visit, a Latvian-Chinese agreement will be signed on the avoidance of double taxation and on the two countries' cooperation in the scientific and technological sphere. So far agreements have been signed by Latvia and China on trade and economic cooperation.

Lithuania

Lithuania: Foreign Minister Views NATO Meeting in Berlin

LD0506222996 Vilnius Radio Vilnius in English 1900 GMT 5 Jun 96

[FBIS Transcribed Text] The reports of the world's news agencies about Moscow's milder position regarding NATO expansion was short- lived, just one day. The denial of that information released by the Russian foreign minister on Wednesday [5 June] proves that it was wishful thinking, taking a desired change for a real fact.

Back in Vilnius on Wednesday the Lithuanian foreign minister, Povilas Gylys, said that there had been talk about more moderate Russian stand during the meeting of NATO ministers and diplomats in Berlin earlier this week. The atmosphere of the Berlin meeting was businesslike and no sharp rhetoric was heard.

On Monday [3 June] the foreign ministers of the NATO countries agreed to delegate a more important role to European countries in the North Atlantic Treaty Organization. Povilas Gylys:

[Begin Gylys recording, in Lithuanian fading to superimposed English translation] It was clearly felt at the meeting that changes were taking place with regard to security actions in the continent. The element of deterrent was dominant in the bipolar security system. There was very little cooperation. Meanwhile, now the deterrent element is gradually yielding ground to cooperation. A climate of stress is being built in the continent. That is stressed by actually all politicians of the North Atlantic Council.

A silent revolution is underway in NATO and changes are taking place in the geographical balance of forces. [end recording]

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The NATO ministers decided to elaborate a more flexible agreement enabling crisis management operations throughout the continent. In that case NATO would actually develop from a military organization into a political one. Political observers were ready to comment on Russia's more lenient stand as a reaction to concessions made to Russia in the conventional arms agreement. If approved, the changes would allow Russia to station more military hardware on the borders with Latvia and Estonia.

Namely, last Saturday Russia and the United States reached an agreement enabling Russia to keep 600 units of armored vehicles instead of the present 180 in the border district of Pskov.

These changes, however, will have to be approved by other countries which have signed the conventional arms limitation treaty in Europe.

Minister Povilas Gylys did not tell journalists why such concessions had been made to Russia.

[Begin Gylys recording, in Lithuanian fading to superimposed English translation] Lithuania is concerned about the change of the situation with regard to Latvia and Estonia, though indirectly that situation has an influence on Lithuania too. Nothing changes in Belarus and the district of Kaliningrad, our immediate neighbors, but the Baltic states have common interest and Lithuania's security affairs are inseparable from those of Latvia and Estonia. We are already working through political and diplomatic channels on the new situation. [end recording]

Estonia and Latvia have voiced concerned over the possible changes in the conventional arms agreement that can undermine their security. The statement of the Latvian Foreign Ministry runs that the agreement is the cornerstone of European security, therefore Latvia sees it unacceptable that extra military forces might be concentrated near its borders.

The Lithuanian foreign minister maintains that the situation must studied thoroughly before political statements can be made.

Speaking to reporters on Wednesday, he quoted the U.S. secretary of state, Warren Christopher, that the security of one country must not be dealt at the expense of other countries. That, in the opinion of Minister Gylys, means that the problem of Baltic security is understood in the West.

On Monday Mr. Christopher was handed the letter of the three Baltic presidents to President Bill Clinton. In the letter they reaffirmed the Baltic commitment to seek full membership in the EU and NATO and came up with the proposal to separate the who and when issues, that is what country and at what time will be admitted to NATO. Once again Povilas Gylys:

[Begin Gylys recording, in Lithuanian fading to superimposed English translation] We consider it important that the Baltic states do not drop out from the list of candidates. We have finally got the NATO countries to believe that the concern of the Baltic states over their security is well grounded. Much of course will depend on the stand of President Bill Clinton and his position is among the most favorable. [end recording]

The Lithuanian foreign minister, Povilas Gylys, maintains that there must be an equal situation of stability in all Europe. A vacuum of stability would be disadvantageous to both the Baltic states and the entire continent.

Lithuania: Foreign Ministry Desires Inclusion in NATO Short List

WS0606144696 Tallinn BNS in English 1256 GMT 6 Jun 96

[FBIS Transcribed Text] Vilnius, Jun 6, BNS — Lithuania welcomes an initiative by American congressmen to invite Baltic countries to take part in all programs for most likely NATO candidates but wants to be included in the list of such countries now.

"We feel encouraged but think we meet the criteria under which three top candidates to the alliance — Poland, the Czech Republic and Hungary — have been selected," a senior foreign ministry's official told BNS.

He was commenting on a bill on financial support for NATO applicants brought forward to the U.S. Senate.

The bill says the United States should move for admission of Lithuania, Latvia and Estonia to NATO as soon as they meet the alliance's criteria.

Diplomats in Vilnius argue that Lithuania has been fulfilling such requirements and could be included in the list now.

NATO applicants are requested to make a progress in creating values shared by the alliance's member countries, that is, a democratic government, free market economy, civil control over armed-forces.

They also must have an overt defense budget, to respect human rights, take part in the NATO's planning and revision process, partnership for Peace program and share commitments of NATO member nations.

The treatment of the Balts as potential future candidates is, however, viewed by Vilnius as a sign of favour and a positive development in Washington's position.

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BNS has information that the progress has been achieved owing to active lobbyism by American Lithuanians in Washington.

Similar efforts have been also made by the Lithuanian parliamentary Foreign Affairs Committee which has sent a letter to American congressmen to call them not to ignore the Baltic security interests.

Lithuania: Vilnius Permits Foreign Bank Operations

LD0606152096 Moscow ITAR-TASS in English 1359 GMT 6 Jun 96

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, June 6 (Itar-Tass) — Lithuania has permitted foreign bank operations. From now on, they can open their branches and offices here as well as purchase shares of local banks. The Lithuanian parliament made on Thursday appropriate amendments and addenda to the bill on Lithuanian commercial banks.

The aim of these changes is to create beneficial conditions for setting up branches (offices) of foreign banks in Lithuania, whose activities were hitherto banned in the republic.

According to the adopted documents, the National Bank is obliged to register a branch of a foreign bank if Lithuania has treaties on protection of investments and on legal assistance with that country.

For its part, the foreign bank should give guarantees to the Lithuanian National Bank that it assumes property responsibility for the operation of its branch.

Lawmakers noted at the debate in the legislature that the appearance of foreign banks, including Russian, "will generate healthy competition between Lithuanian commercial banks and foreign and will strengthen confidence of physical and legal persons in the Lithuanian banking system, now gripped by a deep crisis".

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